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COMMONWEALTH OF AUSTRALIA. *Parliament*

PARLIAMENTARY DEBATES.

FIRST SESSION, 1920.

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EIGHTH PARLIAMENT.

FIRST SESSION.

Governor-General.

His Excellency the Right Honorable Sir RONALD CRAUFURD MUNRO FERGUSON, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

Australian National Government.

(From 10th January, 1918.)

Prime Minister and Attorney-General	..	The Right Honorable William Morris Hughes, P.C., K.C.
Minister for the Navy	..	The Right Honorable Sir Joseph Cook, P.C., G.C.M.G.
Treasurer	..	The Right Honorable Lord Forrest, P.C., G.C.M.G.
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (27th March, 1918).
Minister for Defence	..	The Honorable George Foster Pearce.
Minister for Repatriation	..	The Honorable Edward Davis Millen.
Minister for Works and Railways	..	The Right Honorable William Alexander Watt, P.C.
		<i>Succeeded by</i>
		The Honorable Littleton Ernest Groom (27th March, 1918).
Minister for Home and Territories	..	The Honorable Patrick McMahon Glynn, K.C. †††
		<i>Succeeded by</i>
		The Honorable Alexander Poynton (4th February, 1920).
Minister for Trade and Customs	..	The Honorable Jens August Jensen.†
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (13th December, 1918).
		<i>Succeeded by</i>
		The Honorable Walter Massy Greene (17th January, 1919).
Postmaster-General	..	The Honorable William Webster. †††
		<i>Succeeded by</i>
		The Honorable George Henry Wise (4th February, 1920).
Vice-President of the Executive Council	..	The Honorable Littleton Ernest Groom.
		<i>Succeeded by</i>
		The Honorable Edward John Russell (27th March, 1918).
Honorary Minister	..	The Honorable Edward John Russell.
		Appointed Vice-President of the Executive Council, 27th March, 1918.
Honorary Minister	..	The Honorable Alexander Poynton.
		Appointed Minister for Home and Territories, 4th February, 1920.
Honorary Minister	..	The Honorable George Henry Wise.
		Appointed Postmaster-General, 4th February, 1920.
Honorary Minister	..	The Honorable Walter Massy Greene.
		Appointed Minister for Trade and Customs, 17th January, 1919.*
Honorary Minister	..	The Honorable Richard Beaumont Orchard**
Honorary Minister	..	The Honorable Sir Granville de Laune Ryrie, K.C.M.G., C.B., V.D. ††
Honorary Minister	..	The Honorable William Henry Laird Smith.††

* Appointed 26th March, 1918.—† Removed from office, 13th December, 1918.—** Resigned office 31st January, 1919.—†† Appointed 4th February, 1920.—††† Resigned 3rd February, 1920.

Senators.

President—Senator the Honorable Thomas Givens.

Chairman of Committees—Senator John Wallace Shannon.

¹ Bakhap, Thomas Jerome Kingston (T.)	Lynch, Hon. Patrick Joseph (W.A.)
Barker, Stephen (V.)	Maughan, William John Ryott (Q.)
Barnes, John (V.)	¹ McDougall, Allan (N.S.W.)
Bolton, William Kinsey (V.)	Millen, Hon. Edward Davis (N.S.W.)
³ Buzacott, Richard (W.A.)	†Mulcahy, Hon. Edward (T.)
Crawford, Thomas William (Q.)	Needham, Edward (W.A.)
De Largie, Hon. Hugh (W.A.)	¹ Newland, John (S.A.)
Earle, Hon. John (T.)	O'Keefe, Hon. David John (T.)
Fairbairn, George (V.)	O'Loughlin, Hon. James Vincent (S.A.)
Ferrieks, Myles Aloysius (Q.)	Pearce, Hon. George Foster (W.A.)
Foll, Hattil Spencer (Q.)	Plain, William (V.)
Gardiner, Hon. Albert (N.S.W.)	Pratten, Herbert Edward (N.S.W.)
Givens, Hon. Thomas (Q.)	Reid, Matthew (Q.)
Grant, John (N.S.W.)	Rowell, James, C.B. (S.A.)
Guthrie, Robert Storrie (S.A.)	Russell, Hon. Edward John (V.)
Guy, James (T.)	Senior, William (S.A.)
Henderson, George (W.A.)	Shannon, John Wallace (S.A.)
Keating, Hon. John Henry (T.)	Thomas, Hon. Josiah (N.S.W.)
⁶ Long, Hon. James Joseph (T.)	

1. Appointed Temporary Chairman of Committees, 26th February, 1920.—* Resignation reported, 20th December, 1918.
† Appointed by State Parliament, 15th January, 1919—Sworn 26th June, 1919, and elected to fill vacancy, 13th December, 1919—Sworn 13th May, 1920.

Senate.

Wednesday, 12 May, 1920.

The PRESIDENT (Senator the Hon. T. Givens) took the chair at 3 p.m., and read prayers.

AUSTRALIAN REPRESENTATIVE AT WASHINGTON.

Senator BAKHAP.—I ask the Minister representing the Government in the Senate if he has seen in to-day's press the notification of the Canadian Government having appointed a Minister Plenipotentiary to the United States at Washington, and this with the consent of the British Government. The Minister will remember that I had the honour to suggest a similar step on the part of the Commonwealth Government two or three years ago, and I ask now if the Administration will take into consideration at an early date the advisability of securing a similar representation of the Australian Commonwealth at the capital of the Republic of the United States?

Senator MILLEN.—Yes.

PROCLAMATION OF PEACE WITH AUSTRIA-HUNGARY.

Senator PRATTEN.—I ask the Leader of the Government in the Senate whether any information is available with regard to the proclamation of peace with Austria-Hungary, because on that proclamation hinges the definite date for the expiry of the War Precautions Act?

Senator MILLEN.—Not so far as I am aware. In order to be in a position to inform the honorable senator accurately I shall cause inquiry into the matter to be made immediately.

PAPUA.

DEVELOPMENT OF OIL RESOURCES.

Senator SENIOR.—In the event of a Select Committee being appointed in connexion with prospecting for oil in Papua, will the Government see that the Committee shall be a Joint Committee of both Houses, so that the Senate may be represented in the inquiry as well as another place?

Senator MILLEN.—The Senate has no official knowledge of the matter to which Senator Senior refers. I suggest

that if a measure dealing with the subject does come before us, the more correct method to adopt would be for the Senate to appoint its own Committee.

AUSTRALIAN MUTTON.

RE-EXPORT FROM LONDON TO AMERICA.

Senator FOLL.—I ask the Leader of the Government in the Senate whether, having read statements appearing in the press, he is aware of the fact that there is a considerable glut of Australian mutton in the London market at the present time, and that some of the mutton is being re-exported to America at a considerable profit?

The PRESIDENT (Senator the Hon. T. Givens).—Order! The honorable senator is making a statement, and he is not entitled to do so in asking a question.

Senator FOLL.—Is the Minister aware that there is a glut of Australian mutton on the London market at the present time, and that some is being re-exported to America at a considerable profit? If so, can he inform the Senate whether there is anything in the agreement with the Imperial Government to prevent Australian mutton being sent direct to America, in order that the increased profit may benefit the primary producers of this country?

Senator MILLEN.—I, of course, have no personal knowledge of whether there is a glut of Australian mutton in the London market at the present time, or whether meat is being re-exported in the way referred to by the honorable senator. I have seen press statements to that effect, but I point out to Senator Foll that the mutton referred to is the property of the British Government, who purchased it presumably from Australia, and that they have paid for it. Beyond that I am not in a position to give the honorable senator any information.

POSTMASTER-GENERAL'S DEPARTMENT.

REGISTRATION OF "EDUCATION."

Senator NEEDHAM (for Senator GRANT) asked the Minister representing the Postmaster-General, upon notice—

1. Is he aware whether the New South Wales Public School Teachers Federation has for the past five months been issuing a publication entitled *Education*?

2. Have all the forms necessary to secure registration for transmission through the post as a newspaper been duly prepared and lodged with the proper officers at Sydney?

3. Is he aware whether this publication conforms to the definition of a newspaper?

4. Has registration been refused; and, if so, why?

5. If registration has been refused, will he give directions that the matter be reviewed, with a view to registration being granted?

Senator RUSSELL.—The answer supplied by the Postmaster-General is as follows:—

1 to 5. This matter came before me recently for consideration, and I gave directions that registration should be granted. Members of both Houses who made representations in connexion with the matter were so informed on the 4th May.

NAVY.

DEFERRED PAY OF DISMISSED RATINGS.

Senator NEEDHAM (for Senator GRANT) asked the Minister representing the Minister for the Navy, *upon notice*—

1. Have the men of the *Psyche* who were court martialled at Singapore in February, 1916, completed their sentences?

2. Have these men made application for payment of their deferred pay, and been refused?

3. If so, will he give directions that their accrued deferred pay be paid without further delay?

Senator PEARCE.—The Minister for the Navy has forwarded the following replies:—

1. Yes.

2 and 3. Applications for payment of deferred pay have been received either personally or on behalf of four of the ratings concerned. In each case a reply was given to the effect that under the regulations persons who are dismissed from the Naval Service forfeit all claim to deferred pay earned to date of dismissal.

LEAVE OF ABSENCE.

Motion (by Senator DE LARGIE) agreed to—

That two months' leave of absence be granted to Senator Guthrie on account of urgent public business.

ALIENS REGISTRATION BILL.

Bill (on motion by Senator RUSSELL) read a third time.

INVALID AND OLD-AGE PENSIONS APPROPRIATION BILL.

Bill (on motion by Senator MILLEN) read a third time.

WAR PENSIONS APPROPRIATION BILL.

Bill (on motion by Senator MILLEN) read a third time.

SUPPLEMENTARY APPROPRIATION BILL 1917-18.

SECOND READING.

Senator MILLEN (New South Wales—Minister for Repatriation) [3.10].—I move—

That this Bill be now read a second time.

This Bill is one of four of a type quite familiar to old parliamentarians, and I have not the slightest doubt that in the course of time it will be equally familiar to those who have more recently secured a seat in Parliament. This is a Bill to appropriate £601,982 to cover the expenditure made out of Treasurer's Advance during the year 1917-18. Full particulars of the expenditure included in these Supplementary Estimates were contained in the Treasurer's Finance Statement for 1917-18, which was presented to the Senate on the 19th December, 1918. Of the total amount required, £206,398 is for war expenditure, and £395,584 for the usual requirements of Departments. Most of the items explain themselves, but there are some which, perhaps, call for comment. Generally speaking, it may be said that owing to war conditions and the greatly increased prices which have obtained during the last few years, it has been difficult to forecast the expenditure as accurately as in normal years. One item for which additional appropriation is required, under the Prime Minister's Department, is the administration and the working expenses of the Port Pirie wharf. The vote is being increased from £2,000 to £13,882, but this amount does not represent a loss on the undertaking. The collections of the wharf amounted to £20,715, so that this service has been conducted on a payable basis. There is an increase in the amount to be voted for the High Commissioner's Office of £12,977. This extra expense is almost wholly attributable to war conditions. Under the Department of the Treasury a sum of £88,177 is required above the amount originally estimated for Taxation Office contingencies. The administration of additional taxation laws necessitated heavy and avoidable expenditure in this branch. There is an increase of £49,000 for interest on transferred properties under the Department of Trade and Customs. This increase is in respect of light-houses taken over by the Commonwealth from the States. An additional amount of £28,410 has been provided for rent of

buildings. Of this amount over £21,000 was paid to the Commonwealth Bank, Sydney, on account of office accommodation for Commonwealth Departments. This sum included a considerable amount for fitting up of offices and arrears of rent from the time the Departments first occupied the offices. Under War Services £172,078 have been provided to cover war pensions in excess of the amount originally estimated, and £23,186 is required for the War Pensions Office.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clauses 1 and 2 agreed to.

NORTHERN TERRITORY: COMMISSIONER EWING'S REPORT—CUSTOMS DUTIES AND RATES OF EXCHANGE—EFFECT OF TARIFF ON QUEENSLAND IMPORTS—POST, TELEGRAPH AND TELEPHONE SERVICES—TELEPHONE COMMUNICATION: SYDNEY-BRISBANE—CABLE SERVICE: TASMANIA AND MAINLAND—DEPARTMENTAL ECONOMY.

Schedule.

Senator PRATTEN (New South Wales) [3.14].—In spite of the explanation of the Minister for Repatriation (Senator MilLEN), I am unable to clearly see the incidence of the Budget on such Bills as this. We are being asked to appropriate a further sum out of the Consolidated Revenue for the year ended 30th June, 1918. A Budget has been submitted to the country for the period ending at that date, setting out the total estimated revenue and expenditure. If this is in addition to the sum there estimated, we must go back and re-adjust the whole financial figures from the date I have mentioned, and, at present, I cannot clearly see how this Supplementary Appropriation Bill will affect the country's financial position. To read the measure in one way, one could say that we have spent the amount of this appropriation—

Senator MILLEN.—It has been spent out of the Treasurer's Advance—for which provision was made, but the specific items of expenditure have not been authorized by Parliament.

Senator PRATTEN.—That makes the position much clearer. I now understand that the whole of these amounts have been included in the Estimates for the year 1917-1918, and that the schedule

embodies the details of expenditure thus incurred. They will not affect the total one way or the other.

Senator MILLEN.—A special sum was voted to the Treasurer, the money has been spent, and we are now asking Parliament for its approval.

Senator PRATTEN.—We are now asking for the approval of the specific items that have previously been agreed to in a lump sum.

Senator MILLEN.—Yes.

Senator PRATTEN (New South Wales) [3.17].—Included in the vote for the Home and Territories Department there is an amount for the Northern Territory, and I desire to ask the Minister for Repatriation, when the report by Mr. Justice Ewing will be available. I do not think the Government will continue to ask Parliament to vote items in connexion with the Northern Territory until that report is available. May I also point out that there are several persons concerned in connexion with that report, and it is only fair that the document should be made available at an early date.

Senator MILLEN (New South Wales—Minister for Repatriation) [3.19].—I am unable to inform the Committee definitely when the report will be tabled, but there will be no undue delay. There have been numerous matters requiring urgent attention, and it has not been possible for Cabinet to consider the report, but it will be made available in a very short period.

Senator PRATTEN (New South Wales) [3.20].—I wish to raise on the Estimates of the Department of Trade and Customs the question of the whole policy now being pursued by that Department in connexion with duties imposed upon goods from friendly allied countries affected by the current rates of exchange. I propose to-morrow or next day to place upon the business-paper some specific questions about this matter, but I take this opportunity of pointing out that the method adopted by the Department of computing duty upon old rates of exchange is, in effect, very heavily penalizing goods from France, and giving practically a bonus to goods from the United States and Japan.

The CHAIRMAN (Senator Shannon). Order! The honorable senator is not in order in discussing the question of the Tariff upon this Bill.

Mr. PRATTEN.—I ask your consideration of the fact that I am discussing the administration of the Department of Trade and Customs as regards the fixing of a hard-and-fast line of exchange in collecting duties.

The CHAIRMAN.—The honorable senator is in order in discussing any item in this schedule, but he will not be in order in discussing the whole Tariff.

Senator PRATTEN.—I shall confine myself to the question of exchange, and its administration by the Department. I am informed, and I believe it is a fact, that, irrespective of the exchange having greatly fallen as between England and America, the pound sterling being now worth only 3.86 dollars, the United States Customs authorities are collecting duties upon the old basis of exchange. They thus make the goods imported into the United States from Great Britain pay a higher duty than the current rates of exchange would justify. Obviously, if we in Australia are allowing American goods to come in, and computing the duty on the exchange rate of 4.86 dollars, which was the rate before the war, instead of 3.86 dollars, as obtains to-day, we are allowing the goods of the United States to come in here cheaper than they ought to come, as compared with the value of the pound sterling. The same argument applies, or applied until recently, with regard to the price of the yen in Japan. Reversely and conversely, if the French franc is valued at sixty to the pound, and we are charging duties on French imports on the old basic rate of twenty-five or twenty-six to the pound, we are penalizing the goods of France so far as the present rate of exchange is concerned.

Senator ROWELL.—How is that to be remedied?

Senator PRATTEN.—Only in the administration of the Customs Department. I feel that, after all the promises we have made in connexion with our friendship to France, and what she has done as our most glorious Ally during the war, we ought not to adopt a policy in connexion with the administration of the Trade and Customs Department which so heavily penalizes France, and gives such a great comparative advantage to American imports.

Senator FOLL.—Do you suggest giving them a preferential Tariff?

Senator PRATTEN.—The Chairman has told me that I must not discuss the

Tariff. This is a question purely of administration.

Senator MILLEN.—But it is administration which may go a long way towards heavier Protection or a lighter Tariff.

Senator PRATTEN.—Yes; that is the effect of the question I am raising. My point is that obviously if the rate of exchange of the French franc is fifty or sixty to the pound sterling, and if we are charging duty here, according to our Tariff schedules, on the basis of the franc being worth twenty-five to the pound sterling, then the actual Tariff we are charging on French importations is more than double what it would be in normal times. Conversely, if the rate of exchange in America on the pound sterling is 3.86 dollars, and we are charging duty on American goods on the old exchange level of 4.86 dollars, then we are charging less duty on American imports than we ought. If it is a fact that we are charging more on French goods, then it must be admitted that we are charging less on American goods. The matter should have the careful consideration of the Minister for Trade and Customs (Mr. Greene), in view of the information I have, which I believe is correct, that in spite of the low rate of exchange of the pound sterling between the United States and the United Kingdom, the American Customs Department is still charging duty on British imports at the old rate of 4.86 dollars. I take this opportunity of raising a question that manifestly wants looking into, or at least wants justifying. I have given the facts, and I hope the Minister in charge of the Senate (Senator Millen) will bring my remarks under the attention of the Minister concerned.

Senator MILLEN (New South Wales—Minister for Repatriation) [3.27].—The point raised by Senator Pratten is not only of considerable interest to those who care to study the very complex question which has arisen in connexion with exchange, but also has a very keen practical side to it. The honorable senator will not expect me to go into any argument now. All I can do is to adopt his suggestion by seeing that a copy of his remarks is placed before my colleague, the Minister for Trade and Customs.

Senator FOLL (Queensland) [3.28].—I draw attention to the item "Clerk, £45," under sub-division 1 of division 104. This

evidently refers to the Customs Department in Queensland, and on it I desire to bring under the notice of the Committee cases where the importing merchants of Queensland have been very adversely affected by the increased rates of duty under the new Tariff being levied on merchandise landed from oversea boats reaching Brisbane *via* southern ports. In a number of cases the merchandise from these oversea boats was landed in Australia and delivered to the merchants in southern States at the old rate of duty, but while the vessels were on their way from southern ports to Queensland the new Tariff was imposed, and as a natural consequence, when the vessels reached Brisbane the increased duty was collected. The result is that the importing merchants of Queensland are in a very unfair position as compared with southern merchants who had goods on the same vessel. I am informed of the following facts:—

1. The s.s. *Kent* was delayed in Sydney undergoing engine repairs. The cargo for southern ports was landed under the old rate of duty, but on consignments for Queensland, the increased duty was demanded and paid. (But for the delay mentioned above the *Kent* would have reached Brisbane before the new Tariff was introduced.)

2. The s.s. *Dorset* brought the Wiltshire cargo from Sydney to Brisbane. The *Dorset* cargo was reported immediately on arrival, and consignments were landed under the old Tariff. For the same unknown reason the transhipped cargo was not reported at the Customs House for three days after the arrival of the boat, and in the meantime the new Tariff was introduced and had to be paid on the transhipped goods.

Senator MILLEN.—The honorable senator does not blame the Government for not having given notice of the day on which the Tariff was to be introduced?

Senator FOLL.—But the claim is that the administration of the Government was responsible for the delay in this particular instance. In his letter to me, Mr. Stephens, honorary secretary of the Queensland Machinery Merchants Association, says—

Here we have the extraordinary position of the old and new rates of duty operating on cargoes landed at this port simultaneously from the same boat. It may be argued that Queensland merchants would gain a similar advantage over southern merchants in the case of oversea cargoes reaching Australian ports *via* the north; but since the Tariff Bill came into operation I do not know of any such oversea steamer going down the coast; and, in any case, the argument is not sound.

It is considered that under Federation all States should be treated similarly, and that a refund should be made of any increased duty paid under conditions as outlined above, and your kind assistance towards obtaining that result would be much esteemed.

When an oversea vessel with a cargo which has to be distributed amongst the Australian States has landed part of her merchandise at a southern port at a certain rate of duty, it is only reasonable to ask that the balance of it shall be charged a similar rate of duty. If some importing firms are permitted to land their goods at the old rates of duty, and an increase of 15 per cent. or 20 per cent. is charged upon similar goods consigned to Queensland merchants, the latter are being unfairly penalized. I ask whether a refund cannot be made in order that a uniform Tariff may apply to the whole of the cargoes of oversea vessels in the circumstances which I have outlined?

Senator MILLEN (New South Wales—Minister for Repatriation) [3.33].—I would point out that when any Tariff is brought forward, it is impossible to avoid the appearance in certain cases of differential results to importers. I can hold out very little hope of Senator Foll's desire in this matter being acceded to. The position is that Parliament determines that, from a certain date, a particular Tariff shall operate. But because certain traders are placed at a disadvantage as compared with others, the honorable senator wishes that a refund shall be made to them. He might follow that argument all along the line. He might just as reasonably urge that a vessel would have reached Sydney Harbor before the date upon which the Tariff was submitted to Parliament but for a storm which delayed her arrival by twenty-four hours. Senator Foll himself spoke of the advantage which Brisbane merchants would reap by reason of the introduction of a new Tariff from trade which came from the north. Whilst it may be true that, at this particular period of the year, no vessels come to Brisbane from the north; that does not dispose of the fact that, during some other period, they might come down there. If the honorable senator's plea is a sound one, every Adelaide or Sydney merchant in such circumstances would be justified in coming along and asking to be exempt from the payment of the higher rates of duty.

Senator FOLL.—No doubt they would do so.

Senator MILLEN.—I have never heard of such an argument being yielded to. The consequences to an importer of his being able to get in a day before a new Tariff has been introduced are innumerable. But, as the result of many years of experience, Parliament has decided that any such Tariff must be imposed from a particular date. Senator Foll will, of course, have an opportunity of reviving this question when the Tariff itself is under review. But I cannot see any prospect of his wishes, or those of his friends, being realized.

Senator FOLL.—Can the Minister give us any information as to when we are likely to discuss the Tariff?

Senator MILLEN.—I cannot. Whilst here and there an importer may find himself at a disadvantage with a competitor in the circumstances related by the honorable senator, upon the whole, importers had sufficient foresight to anticipate the introduction of the Tariff, and to unload from bond as large a quantity of goods as they possibly could.

Senator PRATTEN (New South Wales) [3.35].—On the vote for the Postmaster-General's Department, I wish to make a few remarks in regard to the position generally of the postal service. I do not know whether the Government are aware of what is going on, but from the collective experiences of honorable senators I fear that the postal services of Australia are in a most inefficient position. Generally, amongst the commercial community the use of the green telegraph forms has been abandoned, and the use of red forms substituted at double the cost, in cases where some certainty is required that the wires will reach their intended destination. Even the mail service between Sydney and Melbourne is in a most inefficient condition. One cannot be sure that a letter posted at the General Post Offices of Sydney and Melbourne in good time for the mail train will reach its destination on the following afternoon. The telephone services are admittedly in a most unsatisfactory condition, particularly in Sydney and its suburbs. I ask the Government, in all seriousness, to bring under the notice of the Postmaster-General the feeling almost of desperation amongst the business community that we shall ever get back to the efficiency of pre-war days. All our soldiers have now returned from overseas, so that there can

no longer be the excuse that some of the best hands in the Postal Department are absent at the war. Nor should it be pleaded by any Postmaster-General who is possessed of a personality that the Treasurer is starving his Department. No self-respecting Postmaster-General would continue in his office in such circumstances. I make these few remarks in the hope that they will be regarded seriously. I can assure the Government that the commercial community are almost in a state of despair in connexion with the present position of these important services, and it is not creditable either to the Government or the Postal Department that such a state of things should be allowed to continue. I am one of those who have given every consideration to the difficulties that were caused by the recent war. I have not overlooked the factors of money, of material, or of depletion of staff. But none of these excuses can any longer hold good, and I do hope that this Department, which affects the people of the Commonwealth more closely than does any other Department, will get back to a reasonable state of efficiency. If it does not do so, it must be manifest that there is something wrong with its administration from the top downwards.

Senator MILLEN (New South Wales—Minister for Repatriation) [3.40].—The honorable senator has limited himself to a general appeal for more efficient service in the Department. I can only assure him that the desire of the Government is to bring that about. We have already made known our intentions in one particular, namely, that we shall endeavour to insure improved facilities in country districts. It is to be hoped that, as conditions become more normal, many of the difficulties which have arisen from shortage of material will have disappeared. Increased efficiency generally predicates increased expenditure. It has been generally demanded of the Government that the Department shall be run purely on commercial lines, and that the deficit which formerly marked its annual progress should be heard of no more. I wish to say, in fairness to the late Postmaster-General (Mr. Webster), that he found himself between the devil and the deep sea. On the one hand was the demand that he square the ledger, while on the other was the continual appeal for additional facilities—which, of course, meant

increased expenditure. It is the desire of the Government to make the Department as efficient as possible, within our financial resources.

Senator PRATTEN (New South Wales) [3.43].—I am sure the Minister for Repatriation (Senator Millen) will absolve me from any insinuation that the Government is to blame in this matter. My remarks were based on the fact that opportunities such as the present should be taken to present comments and criticisms which may, perhaps, prove beneficial to the Department concerned. The Minister has mentioned that there was an insistent call upon the late Postmaster-General to run his Department on business lines. That call, however, was not that he should make a profit at the expense of departmental efficiency. I hold that we should not seek to profit from our public services. The call upon Mr. Webster was only that the ledger should be squared; but I understand that very big profits were made during the last year or two.

Senator MILLEN.—Surely, in handling a big Department, it was not possible to so set everything out on 1st January as to insure that the ledger would balance to a penny on 31st December?

Senator PRATTEN.—No, but the policy of endeavouring to make a profit out of the postal service was wrong. I agree that the ledger should be squared; but I point out that although we pay at least 1½d. on every letter posted in this country, only 1d. goes to the Post Office, while the ½d. goes direct to the Treasurer. My recollection is that, in the last report of the Postmaster-General, there was a large profit shown upon the Sydney telephonic service. The statement indicated, indeed, an aggregate profit of from £250,000 to £300,000 on the telephonic services of the Commonwealth. Yet the Minister for Defence (Senator Pearce), answering a question which I put before him recently, read a report from the Engineer-in-Chief to the Department, indicating that the telephone service in Sydney and its suburbs was in such a bad state because the Treasurer had starved him for money necessary to purchase material for upkeep. Honorable senators should compare that statement, on the one hand, with that of the late Postmaster-General, on the other, to the effect

that many thousands of pounds of profit had been made out of the Sydney telephone service. No reasonable Government would allow these conditions to continue; and since I regard this as a reasonable Government, I am convinced that it will not permit matters to go on so. The late Postmaster-General set out to make a profit in order, apparently, to show that something could be made out of the conduct of public affairs under this Government. But the profit was derived at the cost of efficiency. The ideal and only proper administration should be to make the ledger balance, while at the same time rendering the best possible service.

Senator BAKHAP (Tasmania) [3.49].—If the Post and Telegraph Department is still making profits, I desire to indicate a way in which the margin should be spent. My purpose is to bring before the Government the necessity for instituting a better press cable service between the mainland and Tasmania. For some time past, the press of the island State has justly complained that it has been precluded from receiving important messages with that expedition which is necessary in catering for the public demand for news. Some time ago, representative newspaper men from the north of Tasmania pointed out to me that they often received news from the mainland much too late for insertion in the morning's paper. In fairness to the Department, I should say that an officer was deputed to institute inquiries. It was pointed out that press messages are forwarded at very much reduced rates, compared with messages despatched by the ordinary public. It is suggested that the press, on the whole, are very well served, and cannot expect all the consideration given to the general public in connexion with the forwarding of telegraphic messages. Politicians owe a good deal to the press, although there is a pretended covert hostility between some of us and pressmen. Still, I think that I interpret the feeling of the public pretty correctly when I say that they desire that all reasonable facilities shall be given to the press in regard to the purveying of news. Whether an improved cable service is necessary, or more modern types of receiving machines should be installed at the Launceston

Telegraph Office is a technical matter which I shall not debate. But I do bring under the notice of the Government the fact that there is considerable dissatisfaction existing amongst proprietors of Tasmanian newspapers in regard to the forwarding of important press messages from the mainland to Tasmania. I know that only recently the Launceston newspapers were compelled to delay until Thursday the publication of news of undoubted importance which should have been available for publication on the Wednesday morning, and the delay was attributed to the fact that the messages were forwarded from the mainland at an hour which absolutely precluded earlier publication by the newspapers.

Senator MILLEN.—The honorable senator may be suggesting now that the difficulty might be accounted for by undue expedition—the messages arriving too early.

Senator BAKHAP.—I am not hostile to the Post and Telegraph Department, which, I am aware, does good work on behalf of the public; but if I cared to be critical I might voice some complaints. I will, in a spirit of good humour, refer to a few personal experiences of the work of the Telegraph Department. It is my habit to send a telegram to my household when I am leaving Melbourne to return to the State which I have the honour, with other honorable senators, to represent. I sent to my home an urgent telegram from the Bourke-street Post-office to the effect that I was leaving by the *Loongana*. I arrived at my home, and when my wife was giving me a cup of tea next morning, my urgent telegram was forwarded to my house. I sent an important letter to a Commonwealth Department a few weeks ago, and it was duly delivered. I had occasion, after sending the letter, to send a telegram. Although I received a telegram acknowledging the receipt of the letter from the officer to whom it was directed, I that evening received a notification from the Telegraph Department that the address was unknown, and that, therefore, the telegram had not been delivered. This is a case of a telegram not being delivered to an address to which I had

satisfactorily forwarded a letter. On the Saturday preceding Easter Monday I sent a telegram to a business address in Sydney in one of the principal buildings in Pitt-street. I was assured that it would be delivered on the Easter Monday morning. I left for Sydney on Easter Monday, and arrived there on Easter Tuesday; and when I went on the Tuesday afternoon to the gentleman to whom I had addressed my telegram, he had not received it up to the time I made my appearance before him. These occasional occurrences indicate some lack of business intelligence on the part of Commonwealth officers in the Telegraph Department. Why should not that Department be able to deliver a telegram to an address to which the Postal Department can successfully deliver a letter? I have said that the newspaper proprietors of Tasmania are dissatisfied with existing conditions, and as the catering for the public demand for news is a legitimate, modern, and cultured occupation, I hope the Post and Telegraph Department will do its best to facilitate the transmission of press messages from the mainland to Tasmania.

I have at times heard great complaints about the shortage of material, and particularly of copper wire for telephone lines and other electrical equipment of the Department. I ascertained the other day from a gentleman who was recently a member of another place that he had lately been to Port Kembla, and that the manager of the wire-drawing works there told him that there was sufficient copper wire in stock at the works to girdle the continent of Australia when he was there. I understand that engineering works of importance, in connexion with which electrical equipment will be necessary, have succeeded in obtaining from the Mount Kembla establishment quite a large quantity of the copper wire necessary for installations. I therefore have some authority for stating that there is no shortage of copper wire for electrical or telephonic equipment at the present time. That being so, I hope that the shortage of that kind of material will not be adduced in future as a reason for not proceeding with the improvement of our telephone services.

I do not offer these criticisms of the Post and Telegraph Department in anything like a hostile spirit, because, notwithstanding little misfortunes in regard to delay in the delivery of messages from time to time, every man of common sense knows that the Post and Telegraph Department does a very great deal of satisfactory work to meet the needs of a modern community. Although the Department does well, there is no reason why it should not do better, and it is in the hope that some effort will be made to do better that I offer the remarks I have just made.

Senator FAIRBAIRN (Victoria) [3.58].

—We have had the Economies Commission looking into matters connected with public expenditure, and it has recommended a great many economies. This is possibly a convenient time to again remind the Government that there is a report from this Commission in existence, and to ask whether they are giving attention to it, because a great deal of saving in public expenditure might be effected by adopting the recommendations of the Commission. The Commission reported that in the Sydney Post-office there were some 230 temporary employees who were not required. I should like to know if anything has been done to effect economy in that matter. I should like to know also whether there is any real, efficient control of the Post and Telegraph Department other than that of the Minister, who, we know, has so many duties to attend to that it is quite impossible for him to look into the various items connected with such an enormous Department. It would appear from the report of the Economies Commission that there is no efficient control of expenditure in the Department. Honorable senators will find, at page 15 of the Commission's report, in paragraph 144, the statement made—

An examination of the Acting Public Service Commissioner disclosed that he did not exercise any check in this direction, and he did not recognise the matter of economical control as a responsibility of his.

So he does not control it, and I say that the Minister cannot be expected to do so. In paragraph 146 of the report I find the following—

The Acting Public Service Commissioner was asked what he considered the most important functions and duties of the Deputy Post-

masters-General of the Postal Department in each State. His reply was—interviewing members of Parliament, and going into proposals such as new mail services.

I always thought that the Deputy Postmasters-General were men who really controlled expenditure in their respective States, like the manager of a company. I thought that it would be their duty to see that efficient service is rendered by each officer of the Department under their control. In paragraph 147 the Economies Commission further reports—

He was then asked if their principal duty was not to exercise a check and control upon the economical and efficient working of the Department in their States—to which he said he supposed that should be their principal duty, but he admitted that he took no steps to see that it was carried out.

I should like to ask the Minister for Repatriation (Senator Millen) who does really control the expenditure of this great public Department? If the Post and Telegraph Department were a business company—

Senator MILLEN.—How can the honorable senator compare a public Department under the present Public Service Act with a private business?

Senator FAIRBAIRN.—If the Minister says that the Public Service Act is wrong the Government should put it right.

Senator MILLEN.—I am not saying whether it is right or wrong, but that the comparison which the honorable senator would institute does not seem to me to be possible.

Senator FAIRBAIRN.—The honorable senator surely cannot say that the enormous expenditure of this country is being carried on without any check at all?

Senator MILLEN.—I do not say that. That is quite another matter.

Senator FAIRBAIRN.—How is the money spent, and who checks its expenditure? The Acting Public Service Commissioner says that he does not check it, and that the Deputy Postmasters-General do not check it. Any one with common sense must know that the Minister in charge of the Department cannot possibly check it, because he has almost endless duties to attend to. If no one checks the expenditure, why do not the Government appoint some one whose duty it will be to check it? The Economies Commission has suggested that there should be a

business Board of some sort connected with each of the public Departments, and particularly with the Post and Telegraph Department, which is a large spending Department. They have recommended hundreds of economies which they estimate, if adopted, would result in a saving of £3,000,000 per annum. That is not a small matter. We should have some public officer whose billet would depend on running these Departments as an ordinary business man would run them. That is the only way in which we can secure economical working as well as efficiency in the public Departments. So long as we drift along as we are doing at present we can never secure that. We are frequently promised economical management of the business of every Department, but we never seem to get any nearer to it. The Government should deal seriously with this matter. Apart from his splendid parliamentary qualifications, the Minister for Repatriation is a first-class business man, whom I would trust to manage any business for me, and that is saying a good deal. He is at the head of one of our most important public Departments, and he must know that proper control of the expenditure of the Department is absolutely necessary. Some one should be made responsible for the proper performance of this most important duty.

Senator CRAWFORD (Queensland) [4.3].—In view of the substantial credit balance shown by the Postmaster-General's Department, I suggest to the Government that the time has arrived when direct telephone communication should be established between Brisbane and Sydney. Both Sydney and Adelaide have the advantage of long-distance telephonic communication with Melbourne, but, so far, Brisbane has not been connected in that way with any other capital city. Brisbane is no mean city, and it is continually expanding.

Senator MILLEN.—It is a distant city.

Senator CRAWFORD.—I suggest that that is one of the reasons why, if possible, telephonic communication between Brisbane and Sydney should be established as soon as possible.

Senator MILLEN.—Distance adds to the expenditure.

Senator CRAWFORD.—The charges might be in proportion to the distance, and, judging by the large demand made

on the Inter-State lines in Melbourne, I have no doubt that the establishment I suggest would prove to be a very profitable undertaking. I trust that the Government will give this matter their immediate attention.

Senator MILLEN (New South Wales—Minister for Repatriation) [4.6].—It is not my intention to enter into a discussion with that stalwart champion of economy, Senator Fairbairn; but I remind him and other honorable senators that the Government have already announced their intention to submit to Parliament, this session, legislation the shaping of which will be governed largely by the report he has quoted. Necessarily, it is impossible, even if the Government had time, to bring in a measure covering many of the suggestions embodied in that report, and at the same time traverse the whole of the Public Service Act, as that measure has a relation to other Acts which affect the employees in the Public Service. The whole matter has to be dealt with comprehensively, and it is the intention of the Government to do that. The honorable senator has asked for particulars as to departmental expenditure, and has singled out the only Department you, Mr. Chairman, would allow him to discuss, namely, the Post Office. He stated that the Public Service Commissioner or the Deputy Commissioner have no control over the expenditure, and that the Minister could not possibly be responsible. Senator Fairbairn overlooked the organization between the Public Service Commissioner and the Minister—the Head-quarters Staff—and he must realize that the Postmaster-General and his staff are largely responsible, as it is their duty, particularly and primarily, to see that the Department is conducted efficiently and economically. But the extent to which they succeed or fail I am not at present discussing. It must not be supposed, however ineffective it may be, that no machinery has been created to do the work. The machinery may not be efficient, but it is there, and I venture to say that if the honorable senator will look more carefully into the matter he will find that many of the troubles in the Public Service are inseparable from other public Departments. I have often heard comparisons made between private businesses and Government Departments,

and I do not care what system is adopted. Commissioners or any one else cannot conduct a public Department in the way a private business is conducted. The people will not allow the Government to conduct public Departments in that way. If a Minister is in a position to make an excellent bargain he is not allowed to do it without following the ordinary routine. Metaphorically speaking, I believe that if a person came to me and offered me a sovereign for half-a-sovereign, I would not be prepared to accept it unless I followed the usual practice, because experience has taught me that, unless I followed the usual cumbersome methods of Government Departments, I would be severely criticised. A Minister may be responsible for ninety-nine successes out of a hundred, but if he made one mistake, the people would rise and call him a fool or a rogue. Reference is never made to successes, but only to failures, and it is practically impossible for governmental work to be conducted on the lines adopted by private concerns. I hope when the Government bring down their proposals—I am not looking for ideal conditions—they will be found to be a substantial improvement on the conditions at present existing.

Schedule agreed to.

Preamble and title agreed to.

Bill reported without request; report adopted.

SUPPLEMENTARY APPROPRIATION BILL 1918-1919.

SECOND READING.

Senator MILLEN (New South Wales—Minister for Repatriation). [4.10].—I move—

That this Bill be now read a second time.

This measure serves the same purpose for the year 1918-1919 as did the previous Bill relating to the supplementary expenditure for 1917-1918, and it is to appropriate £1,016,596 to cover the expenditure made out of Treasurer's Advance during the financial year which ended on 30th June, 1919. The finance statement submitted in connexion with the Auditor-General's report on 26th February last contained full particulars of the amounts now under consideration. Of the total amount to be appropriated for ordinary services £61,532 is payable from Trust and Loan

Funds. The expenditure from revenue is made up as follows:—

Ordinary services ..	£482,159	0	0
Refunds of revenue	143,242	0	0
War expenditure ...	329,663	0	0

£955,064 0 0

Owing to abnormal conditions brought about by the war, and to the general and continued increase in the cost of services, the total of these Supplementary Estimates is larger than is usual. Some of the items call for brief explanation. In the Treasury Department, the sum of £68,370 is required above the amount already appropriated for Taxation Office contingencies. Increased activities in the Taxation Office account for the extra amount required. There is also an increase of £9,604 under the Government Printer for purchase of paper and parchment, and £50,071 and £23,274 are required under Treasury—Miscellaneous—to provide a temporary credit under Trust Funds, Government Printer, and stamp printing accounts respectively. These increases were mainly due to large purchases of paper. A sum of £102,609 was required above the amount originally voted for the quarantine service. This was very largely due to the influenza epidemic. Under War Services, an extra amount of £300,000 is required for repatriation of soldiers. In addition to the items referred to, provision is made under the various Departments for war bonuses granted under Arbitration Court awards, amounting in all to £52,281. In connexion with this appropriation, which relates to items on which the expenditure exceeded the estimate, it is desirable to point out that on other items there were unexpended balances amounting to £717,197.

Question resolved in the affirmative.

Bill read a second time, and reported from Committee without request.

Report adopted.

SUPPLEMENTARY APPROPRIATION (WORKS AND BUILDINGS) BILL 1917-18.

Senator MILLEN (New South Wales—Minister for Repatriation) [4.14].—I move—

That this Bill be now read a second time.

This Bill relates to works and buildings for the year 1917-18, and the total

amount asked for is £2,088, which is required to cover several small items not foreseen in the original Estimate.

Question resolved in the affirmative.

Bill read a second time, and reported from Committee without amendment.

Report adopted.

SUPPLEMENTARY APPROPRIATION (WORKS AND BUILDINGS) BILL 1918-19.

Senator MILLEN (New South Wales—Minister for Repatriation) [4.18].—I move—

That this Bill be now read a second time.

This measure appropriates a sum of £44,434 for additions, and new works and buildings. The main items relate to capital expenditure on the Darwin-Katherine River railway, £7,568. The other is construction and extension of telegraphs and telephones, £20,123. The balance is made up of sundry small items. On the other items of the original appropriation for works and buildings there was an unexpended balance of £93,729.

Question resolved in the affirmative.

Bill read a second time, and reported from Committee without amendment.

Report adopted.

SUGAR PURCHASE BILL.

SECOND READING.

Debate resumed from 7th May (*vide* page 1904), on motion by Senator MILLEN—

That this Bill be now read a second time.

Senator CRAWFORD (Queensland) [4.22].—I understood from the Minister for Repatriation (Senator Millen) that of the £1,000,000 to be appropriated under this Bill £718,000 was required to make good the loss that would be incurred on imported sugar up to 30th June.

Senator MILLEN.—Not necessarily a loss, but to pay for the sugar we are buying, pending the time when we sell it.

Senator CRAWFORD.—I have understood all along that any money required for the purchase of sugar either in Australia or from abroad was found by the Colonial Sugar Refining Company, and that the amount now asked for is really required to balance accounts at the end of the term of the agreement existing at present between the company and the Commonwealth Government. I understood,

also, that in addition £220,000 has been expended on the sugar which was lost during the Mackay cyclone, and on that which required re-treatment on that occasion. I do not think that this is quite a full statement of the position, because at the close of the 1917 season there was a balance of about £480,000 to the credit of the Government's operations in sugar. The whole of this was made out of Australian sugar, after paying for some loss incurred on the sugar which had to be imported, and this amount was transferred to revenue account. In considering the question that fact ought to be kept in mind. I understand, although I do not think the Senate has had any information on the point, that the Government contemplate continuing the control of the sugar business, following the example set by Great Britain and many European countries. While the control of quite a number of commodities was considered necessary during the war, I think control has been extended to sugar supplies in almost every country, and the shortage of sugar has been more acutely felt than that of any other important commodity. The Government of the United States of America for some years purchased sugar abroad and controlled its sale, but last year the Act giving authority for that was allowed to lapse, and as a consequence the price of sugar in the United States of America has almost doubled in the past few months.

As a result of the control by the Government of sugar in Australia and of the production of considerable quantities within the Commonwealth, we have had a more abundant supply, at a cheaper rate, than has been the case in almost every other country in the world. Considerable doubt seems to exist in the minds of the people regarding the price paid before the war. The average price paid during the three years before the war, taking into account during part of that time the operations of our Excise and bounty legislation, was £16 2s. 6d. per ton, while the average price paid for raw sugar since the outbreak of war—during which time 1,303,000 tons have been produced in Australia, for which the manufacturers of raw sugar received £24,756,000—was exactly £19 a ton, or only £2 17s. 6d. a ton above the average for the three years preceding the outbreak of the war. When that fact is remembered, it must be agreed

that there has been no profiteering on the part of the sugar producers of Australia. Instead of finding fault with those engaged in sugar production, or with the Government of the Commonwealth, the people of Australia have every reason to be thankful that they have received such favorable treatment in connexion with their supplies of sugar. Unfortunately, Australia has not been able during the past couple of years, and will not be able during the current year, to supply herself with sugar.

In this connexion the Government have been blamed for a provision in the agreement between the Commonwealth and the Queensland Government covering the years 1918 and 1919. In that document the following clause appears:—

That, in view of the large financial responsibility incurred by the Commonwealth Government under this agreement, and in order to avoid, as far as practicable, the production of raw sugar in excess of the normal requirements of Australia, the Queensland Government will not during the said seasons of 1918 and 1919 erect, or assist in, or encourage the erection of any new mill for the treatment and manufacture of sugar cane into sugar, or remove, or assist in, or encourage the removal of any sugar mill from its present site, or alter, enlarge, or extend, or assist in, or encourage the alteration, enlargement, or extension of any sugar mill so as to increase its present crushing capacity.

Senator BAKHAP.—Was that not rather an unfortunate provision?

Senator CRAWFORD.—It was an unnecessary provision.

Senator BAKHAP.—Did it not check production?

Senator CRAWFORD.—Not in any way, nor was it, so far as I can see, calculated to check production. It refers only to increasing the milling capacity, and restricts only the Queensland Government from doing it. It does not interfere in any way with private enterprise, nor has it anything whatever to say with regard to the extension of cultivation. In view of the fact that our Australian mills, including the three in New South Wales, in 1917 made 327,000 tons of sugar, and in the following year made only 202,000 tons, or 125,000 tons less than in 1917, and that in 1919 they turned out only 166,000 tons, or just a little over half of their 1917 output, it is clear that it was not the shortage of milling capacity, but the shortage of cane which reduced the output. The exist-

ing mills could have made twice as much sugar if the cane had been there.

Senator BAKHAP.—Was there a bad crop?

Senator CRAWFORD.—There was. It is evident from those figures that that provision in the agreement could have had no effect whatever upon the output of sugar. What would have been the effect of even doubling the number of mills, seeing that we had a reduced crop of cane? I speak with a full knowledge of the position, because last year I visited every sugar centre in the State, and met the management of every mill and a great many of the growers. I say without the slightest hesitation that that provision in the agreement did not reduce the production of cane by a single stick, nor the production of sugar by a single pound.

Senator MILLEN.—No, because you had a bad crop.

Senator CRAWFORD.—We had, but the Government have been blamed for the inclusion of the provision in the agreement. Negotiations in connexion with the agreement began just after we had had a record output of 327,000 tons in Australia. I am speaking in terms of raw, and not of refined, sugar. That output was 20,000 or 30,000 tons in excess of the Australian consumption. When the negotiations began, the outlook was that in 1918 we would have a still bigger crop. There was at that time a carry-over of some 50,000 tons, and it was expected that, if the estimates made early in 1918 were realized, the Government would have in that year a carry-over on its hands exceeding 100,000 tons. In view of this, it was felt, and I do not think any one can blame the Government for it, that it would be wise to impose some restriction upon the production of sugar, but it was a restriction which I felt at the time would not have any effect, because I knew that nobody contemplated the erection of mills. At that time a single mill would cost, with its equipment of tram lines and rolling-stock, at least £500,000. That in itself was sufficient restriction, and will be for many a long year to come.

Senator BAKHAP.—The honorable senator told us earlier that the Australian production had never met the consumption.

Senator CRAWFORD.—I do not say so. It has done so only on three

occasions, but never in the whole history of the sugar industry for two years in succession. Early in 1918 we had a most disastrous cyclone in the Mackay district. That district had the worst cyclone, the worst flood, the worst frost, and the worst drought ever experienced. That was a combination of circumstances which, surely, no Government could be expected to foresee. Following that, there was a cyclone in the north of Queensland, and this in turn was succeeded by a drought which materially reduced the crop that might have been anticipated under more favorable circumstances.

Senator BAKHAP.—Evidently, it is a pretty hot, windy shop up there.

Senator MILLEN.—Frosts do not suggest a hot shop.

Senator CRAWFORD.—I omitted to mention that in the Mackay district there was also a tidal wave which drowned about twenty persons—a combination of adverse circumstances which, fortunately, is not common in North Queensland.

Then the Government are blamed for not having made large purchases of sugar in Java during 1918, when that commodity is said to have been procurable there at a very low figure. It is quite true that in that year there was a large quantity of sugar in Java for which there was no outlet. Yet the whole world was in need of that sugar, and the reason why there was no market for it was because there were no ships available to carry it. Only a few months before, the Allies had seized all the Dutch vessels engaged in the trade for use on other routes, and the remainder of the Dutch mercantile fleet immediately went into hiding in neutral ports. But there was only a limited quantity of sugar for sale at the low prices quoted, and it was for sale for a very limited time. This was the sugar which was held by a few weak speculators—not that which was in the hands of strong corporations, who, as soon as they realized the position, erected large stores for the purpose of holding their sugar. I would remind honorable senators that it was open to buyers in any part of the world to purchase that sugar, and yet nobody bought it. Why? Because just about that time the minds of men were concentrated on the battlefields of France, although there were evidently a few jam manufacturers in Australia who were even more concerned about the price of sugar in Java.

Anybody who studies the position will find that when the fortunes of the Allies were at the lowest ebb, the price of sugar in Java touched the lowest point. On the other hand, when the fortunes of the Allies rose, the price of sugar in Java rose correspondingly, until to-day it is nearly £100 per ton. Although it is true that the production of sugar in Australia has not been equal to our home consumption, it is nevertheless a fact that that production has had a material effect upon the price which our consumers have had to pay for sugar purchased from other countries.

Senator BAKHAP.—Can the honorable senator explain why sugar is the only one of our primary products which has not been produced in sufficient quantity to meet our own needs?

Senator CRAWFORD.—It is because, under pre-war conditions, it was impossible to produce sugar for export. This commodity is affected in precisely the same way as other commodities are affected, by the seasons. It would be very difficult, indeed, to grow sufficient sugar in an adverse year, and to avoid having a big surplus in a particularly favorable season. However, I believe that that difficulty can be overcome to a great extent by a continuance of Government control of the industry, and especially if we rid ourselves of the fear that a carry-over of 50,000 or 60,000 tons would be a calamity. It is quite impossible to regulate the production of sugar so that we shall always have enough, but never have too much.

Senator BAKHAP.—Production, therefore, ought to be increased sufficiently to meet the needs of the Commonwealth.

Senator CRAWFORD.—It should be encouraged in every possible way, and I hope that the honorable senator will use his influence to secure the establishment of the beet sugar industry in his own State.

Senator BAKHAP.—The cane-sugar industry would be then like Othello's occupation—"gone."

Senator CRAWFORD.—I do not think that the sugar-producers of Queensland entertain any fear of that kind. If Senator Bakhap will launch a scheme for the production of beet sugar in Tasmania we shall wish him all the success, which such a commendable venture will deserve.

Senator BAKHAP.—We grew sugar beet in Tasmania with very high sugar con-

tents a quarter of a century ago, but we did not have a sugar beet factory.

Senator CRAWFORD.—One of the effects of the Australian production of 1,300,000 tons of sugar during the five years which have passed since the outbreak of war has been to keep down the price which we would otherwise have had to pay for sugar purchased abroad. But for that production we should have been entirely dependent upon Java, where the sugar stocks are in the hands of strong companies, which could have compelled us to pay any price that they chose.

Senator PRATTEN.—That was not the case in 1918.

Senator CRAWFORD.—There is no denying that statement.

Senator PRATTEN.—Of course that is theory.

Senator CRAWFORD.—My statement that the low prices which ruled for sugar in Java continued for only a few months in that year and applied only to a limited quantity of sugar is one of fact.

As the result of these abundant supplies of cheap sugar, we were enabled to manufacture and find a market for very large quantities of jams and preserves, with very satisfactory results to our manufacturers. From the report of the Royal Commission on the sugar industry, dated 27th February of this year, I desire to quote the evidence of two or three manufacturers of jam. I find that one manufacturer whose name is not mentioned said—

I might say now that nearly every confectionery manufacturer in Australia has added very considerably to his plant and buildings. In my own case I have expended over £100,000 in building and plant, and I know my competitors are acting similarly in every State. The expenditure of £100,000 in new buildings was contributed to very materially by the embargo placed on confectionery from abroad. The inducement for the expenditure was the flourishing condition of the industry under the embargo plus the commercial outlook in comparing the price of sugar in Australia with its price abroad.

Then one of our largest jam manufacturers stated—

During the last four years we have had a better time as jam manufacturers than ever before. We have not been at any disadvantage during the past four years in respect of the price of sugar.

Senator BAKHAP.—Was not that largely owing to the war demand?

Senator CRAWFORD.—Their market was due to the war demand, but if they had had to pay the same price for sugar as their competitors overseas, they would not have been able to sell their jams at the prices at which they did sell them. The manufacturer whose evidence I have quoted continued—

I should think we have had an advantage over competitors in other parts of the world owing to the price of sugar.

I know that some of these gentlemen have complained that whilst their overseas trade has increased, there has been a big shrinkage in the home consumption of jam owing to the increased price of that product consequent upon the increase in the price of sugar. In this connexion I desire to make a very brief quotation from the annual report of the Cockatoo Preserves Company Limited. Amongst other things, that report states—

Owing to the rapidly increasing local demand, the company has been able to supply only one-eighth of the three and a quarter million pounds of jam for France ordered early in the year.

That statement seems to discount anything which may be said by jam manufacturers in regard to an alleged shrinkage in home consumption.

Senator PRATTEN.—The statement by the company may have been an excuse to get out of a difficulty.

Senator CRAWFORD.—I do not know. I would not be surprised if there were a shrinkage in the consumption of factory-made jam in Australia, because there is such a big difference—largely owing to the price of containers and to the high wages paid—between the price of that jam and the price at which jam can be made in the home to-day. Only a few weeks ago a request was made to the Fair Profits Commission in Victoria that an increase should be allowed in the price of ordinary jam to 15s. 9d. per dozen 27-ounce tins, and to 16s. 9d. per dozen for apricot jam. I understand that the price of apricots has recently been fairly high, and that the prices of other fruits have advanced proportionately. The present price of sugar to manufacturers is £46 10s. per ton, and it is said that a ton of jam contains half a ton of sugar. In other words, the sugar which is contained in a ton of jam costs £23 5s. If we allow

a further sum of £16 for the fruit contained in a ton of jam, we shall bring its cost up to £40. Upon the basis of 16s. 9d. a dozen 27-oz. tins, I work it out at £92 10s. a ton—showing that the difference between the cost of the raw material, excluding containers, and the wholesale price of apricot jam, amounted to no less than £52 a ton. In these circumstances one can readily understand that housewives would prefer to make their own jam, seeing that they would only be put to the cost of raw material.

Senator SENIOR.—But during the past year housewives could not get the sugar to make their jam.

Senator CRAWFORD.—I believe that was so. I do not know whether the honorable senator has read a recent statement of the chairman of directors of the Colonial Sugar Refining Company to the effect that during the previous six months the company's deliveries of sugar—raw and refined—had been 30,000 tons in excess of deliveries for the same period of the previous year. The reason, I understand, is largely due to the great quantity of sugar required by manufacturers. It was reasonably held that if manufacturers did not get the sugar, a very large quantity of fruit must be wasted.

Senator REID.—It might have been much better to supply householders with sugar for jam-making, in order to save the fruit.

Senator CRAWFORD.—That contention would appear to be sound until one remembers that in the case of factories there could be an assurance that the sugar would be used for manufacturing purposes, while, with respect to the general householder, there could be no assurance that the commodity would not be hoarded against the day when sugar would cost more.

I desire to quote again from the published report of Cockatoo Preserves Limited, since it is typical of reports issued by other companies engaged in similar manufacture—

The Hon. W. Angliss, M.L.C., expressed surprise at the progress that the company had made, and stated that the results had been remarkable, and it was more than likely that they would be better. He strongly advised shareholders to enlarge their financial holdings in the company, as he himself had decided to do. Shareholders could not find a better investment.

Senator PRATTEN.—That, I understand, was in 1918. The price of the company's shares to-day is about 22s.

Senator CRAWFORD.—The firm has increased its capital. For the year quoted in the report it showed a profit of 17 per cent. The Royal Commission, from whose report I have already quoted, pointed out that there was no general evidence of prosperity among cane-growers, nor, with few exceptions, were there any signs of further development. The report continues—

It may be added that the past two seasons, including damage by cyclones and floods, have proved unfavorable to the industry generally, and that in many cases the returns to the farmers, and not a few of the millers, have been extremely unsatisfactory.

Senator PRATTEN.—What price did the Commission recommend that cane-growers should be given?

Senator CRAWFORD.—Honorable senators might expect that it would have recommended an increase of at least £10 a ton; but, instead, it recommended only 20s. a ton, which was more than absorbed by the increase in wages occurring while the Commissioners were conducting their inquiries.

Senator PRATTEN.—That indicates the value of spending good Government money upon investigations of the kind.

Senator CRAWFORD.—I believe in the appointment of business men to make business investigations.

Senator FOLT.—In this instance, the Commissioners should have consisted of senators representing Queensland.

Senator MILLEN.—Particularly those interested in sugar.

Senator CRAWFORD.—It is very difficult to get away entirely from people who are interested in the commodity, either as producers or consumers. In 1914, when we asked for an increase in price, we had to appear in Melbourne before a State tribunal upon which the grocery trade and the jam manufacturers were directly represented. That is to say, Queensland producers had to ask a body of large consumers for an increase; and, as honorable senators know, we did not get it. At the price of £30 6s. 8d., which the Commonwealth Government has agreed to pay for Australian sugar for the next three years, the public will be obtaining a commodity at a cost greatly below that which rules in other parts of the world.

Senator PRATTEN.—At present.

Senator CRAWFORD.—And probably for the future as well, because the cost of producing sugar in all countries, with perhaps the single exception of Java, has increased enormously. In Java, the position is altogether different from that obtaining elsewhere. I have been informed by the general manager of three large Javanese mills, who recently visited Australia, that it will be impossible to increase the production of sugar in that region. Production is limited there by the area of suitable land available; and, even if growers could get more land, their operations would be limited by the water supply. In Java, sugar can only be grown successfully under irrigation.

I desire now to quote figures indicating the cost of production of sugar in other countries. Cane sugar in the United States, in 1918, cost £33 10s. a ton to produce. In 1919, owing to very adverse seasonal conditions in Louisiana, it cost £65 6s. 8d. per ton. In fact, the cost was even higher than that. The United States Government allowed Louisiana producers to charge 14 cents per lb. for raw sugar, which was officially stated to be below the cost of production. In 1918, in the United States of America the cost of production of beet sugar amounted to £30 a ton. The cost in Hawaii amounted to £22 18s. In Cuba—according to the report of a company which, in 1919, made no less than 640,000 tons of sugar in its own mills—the cost was £23 2s. 6d. So, quite apart from the shortage of the commodity, the cost of production is likely to maintain the price of sugar at a high level for a number of years. Beet sugar-growers in America recently held a convention, and decided that they could not possibly grow beet at less than 50s. a ton. Last year, in Holland, the suppliers of beet to co-operative factories received £4 a ton. Notwithstanding these high prices, production of sugar during and since the war has decreased in practically every country except Cuba. It was thought that, as soon as peace was declared, there would be an immediate revival of the beet sugar industry in Europe. Yet there was a smaller output in 1919 than in 1918; and in March last—which was the period for sowing beet in Germany—the whole of that country was practically in a state of revolution. But, quite apart from those considerations, there are other circum-

stances operating in Europe which are likely to keep down the production of beet sugar for a number of years. For instance, in Germany, there is a shortage of nitrates; and, although that country is at present producing 400,000 tons of synthetic nitrates annually, that is insufficient for requirements owing to the serious depletion of the soil during the war period. And even that quantity is being produced at very high cost. Sugar beet soil requires a lot of fertilization, and, when we speak of cultivation in Germany, and in fact in all other European countries, we are referring to land which has been under cultivation for centuries—land which requires considerable fertilization. Therefore, apart from shortage, there is the high cost of production in Germany to be taken into consideration. One might imagine that potash would be particularly cheap in that region. Yet, according to the latest information, the price of potash a few months ago was six times as high as before the war.

Senator PRATTEN.—Is the honorable senator's illustration with regard to potash for export, or for internal consumption?

Senator CRAWFORD.—For internal consumption.

Senator PRATTEN.—Of course, there is the depreciated mark. Would that account for the position?

Senator CRAWFORD.—The mark would not have depreciated in Germany itself, I presume.

Senator BARNES.—Yes; it would have depreciated by the fact of the increase in the price of commodities. There would be, of course, no face depreciation.

Senator CRAWFORD.—There is no hope whatever of the public securing cheap sugar within a measurable period.

The world production of sugar the year before the war was 18,677,000 tons, and 63 per cent. of it was cane sugar. The estimated product for 1919-20 was 16,000,000 tons, or 2,677,000 tons below pre-war figures; but this estimate has been revised lately with regard to certain countries. Production in Germany is much less than was estimated, and the same may be said of Austria; so that, in all probability, the production for 1919-20 will be fully 3,000,000 tons less than it was in 1914. In addition, it must be remembered that there has been a large in-

crease on the consumption of sugar during pre-war years. It is stated that if the United States of America could get sugar she would consume an extra 1,000,000 tons, and in Great Britain, which consumed very nearly 2,000,000 tons before, and about 1,500,000 tons during, the war, the position is so acute that consumption has been cut down to 1,100,000 tons this year. As showing the difference in price paid for sugar in Australia and in Great Britain, I may say that whilst last year the Australian manufacturer could buy at £26 per ton, British manufacturers were paying up to £118 per ton. Permission having been given to manufacturers to import sugar outside the supplies which they were obtaining through the Royal Commission, a considerable quantity was introduced into Great Britain for manufacturing purposes at prices ranging from £115 to £118 per ton.

Senator THOMAS.—What is the price in New Zealand?

Senator CRAWFORD. — The New Zealand price recently was £23 10s. per ton. This was fixed under an arrangement made with the Colonial Sugar Refining Company at the outbreak of the war; but nobody believed then that the war would last so long. For the future I do not know what the Colonial Sugar Refining Company are going to receive for the New Zealand supply, but I understand that after the 30th June the retail price in the Dominion will be 7d. per lb. It has to be remembered, too, that the New Zealand supply is grown by coloured labour in another country, whereas most of the sugar consumed in Australia is grown by white labour in this country, and, therefore, money paid for it is kept within the Commonwealth—a most important consideration during the war.

Senator SENIOR.—A considerable quantity of sugar used in South Australia during the war period came from Fiji, from whence New Zealand drew her supplies.

Senator CRAWFORD. — During the war Australia produced 1,300,000 tons of sugar. If we had been compelled to buy this product abroad, it would have meant an expenditure of many millions of sovereigns, because Java, which would

have been our source of supply, would not have taken very much in the way of commodities from us in exchange, and we would have been expected to pay for the sugar in gold.

Senator PRATTEN. — The honorable senator must be aware that up till 1919 Java sugar was much cheaper than the Australian product.

Senator CRAWFORD.—I have not contended it was otherwise; but I remind the honorable senator that if, during the war, we had been drawing our supplies from Java, our competition for that sugar would have made a material difference in the price. The fact that we were largely independent of foreign supplies enabled us to obtain sugar at a reasonable price.

I repeat that throughout the world production has not increased except in Cuba, and even there the position is changing, the cost of labour in connexion with sugar production is much higher than ever before, so that there is not very much difference now between wages in Australia and wages in other countries. We cannot, therefore, expect to get sugar from abroad at a much lower price than that at which we can produce it ourselves. I say without hesitation that it will be in the interests of Australian consumers to adopt an attitude of friendliness towards the Australian sugar producers. This has been lacking of late. Only a few months ago, at a meeting in Hobart, and later at a similar gathering in Melbourne, fruit-growers and jam manufacturers expressed the hope that there would be free trade in sugar, and declared that it would be in the interests of fruit-growers and jam manufacturers if the Australian sugar industry were destroyed and the Commonwealth drew all its supplies from abroad.

Senator THOMAS.—Did they limit the agitation for Free Trade to sugar?

Senator CRAWFORD.—They did. They did not ask for free trade in jam or confectionery, although at that time not only were they protected by the higher price of sugar in other countries, but also by an embargo on the importation of confectionery into Australia.

Senator PRATTEN.—I believe they have been converted since then.

Senator CRAWFORD.—I hope they will give some practical proof of their conversion. Any honorable senator with a knowledge of the position in Queensland must be aware that this hostility shown by the consumers of the southern States has had a serious effect upon sugar production in Queensland. But for this hostility the sugar growers there would have had greater confidence in the future of the industry, and as a consequence would have extended their operations and been in a position to produce more sugar than they are likely to do for the next year or two.

Senator BAKHAP.—Are the sugar growers satisfied with the present arrangement?

Senator CRAWFORD.—Yes. They could not very well be otherwise; but it is likely that if they had known as much as they do now concerning the sugar position of the world they would not have preferred such an extremely moderate request. The Government, however, realized it was a good bargain for the consumers, and we cannot complain, seeing that the Government gave us really something more than we asked for, because our request was for a five years' agreement and the Government made the period three years. It is quite possible that the Government, in arranging for the shorter term, were not conserving the interests of the consumers so much as would have been the case had they entered into an agreement for a five years' term.

Senator PRATTEN.—I prefer the viewpoint of the Government.

Senator CRAWFORD.—I think that, taking a comprehensive view of the sugar situation in Australia, especially during the war period, the people of this country have every reason to congratulate themselves upon having had such an abundant supply at so reasonable a price, and they should be prepared to give considerable credit to the Government for this satisfactory state of affairs.

Senator PRATTEN (New South Wales) [5.18].—I should like to preface my remarks by stating that, in my opinion, the whole crux of the future in relation to sugar turns upon the position of the pound sterling. We are apt, and I must plead guilty myself, to make comparisons in pounds, shillings, and pence now with the position as it was before the war. I do not think the pound sterling will ever buy the same amount of the world's com-

modities in future as was possible in the past. In other words, we shall not be able to get as much cotton, as much wool, or as much of any other commodity. Gold itself is worth more, and for this reason the world's parity is likely to be higher for many years to come. I think the Government made a very good bargain indeed with the Queensland sugar growers. My honorable friend who has just resumed his seat has given us a most lucid exposition of the sugar position; but I cannot quite follow him in his statistics, nor do I indorse his pessimistic view of the future in regard to sugar prices. I do not think the world's present parity will be maintained for very long.

Senator CRAWFORD.—It will be a long time before sugar comes back to £30 6s. 8d. per ton.

Senator PRATTEN.—I do not think it will ever come back to the previous world's parity. It is not at all likely that beet sugar, on the continent, will ever be sold for £8, £9, or £10 per ton; nor is it likely that Java sugar will be sold for £10 or £11 per ton. I do not know the source from which the honorable senator has drawn his figures, and upon which he has based his conclusions, but I remember reading some statistics a short time ago setting out that the world's sugar production before the war was, approximately, 17,000,000 tons, including, of course, a fair proportion of beet sugar; and the figures for this year were set down again at about 17,000,000 tons, the diminution in beet sugar having been made good by increases in the production of cane sugar.

Senator CRAWFORD.—My statistics were Willett and Gray's.

Senator PRATTEN.—They are not the only compilers of sugar statistics.

Senator CRAWFORD.—I referred to the actual pre-war production.

Senator PRATTEN.—I am quoting the statistics obtained from another source, and showing that the production of sugar in the coming year will approximately equal that obtained during the last pre-war year. The diminution in the production of beet sugar in the coming year, as compared with that in the last year before the war, has been made up by the increase all over the world in the production of cane sugar. If these statistics are correct, I cannot take such

a pessimistic view as the honorable senator regarding the future sugar position.

Senator CRAWFORD. — Everything hinges on the point whether the figures are correct or not.

Senator PRATTEN. — Senator Crawford is not going to claim that the figures of any firm he quotes are sacrosanct. Sugar statistics are published in the United Kingdom, United States of America, and on the continent, and there are many influential men connected with the sugar-business who hold entirely different views, but most of them agree on some of the points on which I differ from Senator Crawford.

The present sugar agreement does not give the Queensland cane-growers the world's present parity, but I think the Commonwealth is entitled to expect reasonable treatment from them, seeing that in the past, even from the inception of Federation, the sugar-growers have had a considerable amount in the aggregate to assist them in preserving the industry. I am going to say freely and frankly that the sugar-growers of Queensland have repaid their moral debt to the Government and the Australian consumers for preserving their industry through times of stress and difficulty. During the war Australia has been in a unique position as regards sugar production and prices. Senator Crawford quoted statistics relating to the jam and confectionery industries, and, I think, manufacturers freely admit that they have been in a unique and favorable position in connexion with the price they had to pay for sugar used in their manufactures.

Senator SHANNON. — Did not they pass a resolution condemning the agreement?

Senator PRATTEN. — I am not aware of the jam manufacturers themselves having passed such a resolution.

Senator SHANNON. — In Tasmania they did.

Senator PRATTEN. — I think the honorable senator is referring more particularly to the fruit-growers.

Senator CRAWFORD. — And the jam manufacturers also.

Senator PRATTEN. — I say most deliberately, from personal knowledge, that the bulk of the jam manufacturers in Australia have recognised the favorable position in which they have been placed,

and, for the benefit of the Commonwealth, have taken full advantage of the situation, not as regards prices, but by increasing production. For instance, the exportation of jams and preserved fruits has increased tenfold since the outbreak of war. There has also been an extensive development in the confectionery industry, and although the products of such businesses have not been exported to any extent, the manufacturers have been using Australian sugar, and practically meeting the local demand, which had previously been made up by importations. As a result of securing that trade, they have developed their businesses in the way Senator Crawford has suggested. There has also been a great increase in the export of jam and canned fruits to other countries, which has been a great benefit to the fruit-growers. I do not think Senator Crawford and others interested will hear much more in regard to the handicap that fruit-growers have experienced as the result of sugar prices prevailing in the Commonwealth, although he may be pessimistic as regards the future price of the world's sugar.

Senator CRAWFORD. — I do not think it is going to remain at £80 per ton, but it has to fall a long way before it reaches the Australian level.

Senator PRATTEN. — I admit that. But all high-priced commodities have a habit of falling very rapidly once they start.

I would remind Senator Crawford that the Queensland sugar-growers operating under an agreement covering a period of three years places the Australian consumers in a favorable position during the first year of the agreement, but it may be that they will have to pay a price that may be considered high three years hence.

Senator CRAWFORD. — There is no danger of that.

Senator PRATTEN. — I have already stated that the pound sterling will not in our time purchase as much of the world's commodities as it would in pre-war days. In other words, £20 per ton for sugar in pre-war times would be no cheaper, so far as our world's outlook is concerned, than £25 per ton would be in the future. We cannot expect to purchase commodities at the same price as we did before the war,

because due consideration must be given to increased wages, higher costs, and the scarcity of the commodity.

Senator THOMAS.—Is the honorable senator not making any allowance for reductions that may be made in consequence of scientific discoveries and improved methods?

Senator PRATTEN.—In a minor way such reductions could be placed against the increased price, but as wages have increased the world over following on the cost of living the cost of production will never be reduced to the pre-war price.

Senator THOMAS.—Does it necessarily follow that if wages are increased the cost of production must also increase?

Senator PRATTEN.—Not necessarily, but costs will go up unless reduced by other means. The present condition of affairs exists, not only in the Western, but in the Eastern world, and the production of metals, rubber, tea and sugar, is costing much more to-day than previously, and I believe we have made a good deal for the consumers in the Commonwealth. The producers have been placed in a reasonably good position, the Government have safeguarded all interests, and have effected a fair compromise. If I had any criticisms to offer on the sugar agreement they would perhaps be to the effect that it is for a year too long.

Senator CRAWFORD.—I am glad it is for only three years.

Senator PRATTEN.—Seeing that we are indebted to the sugar-growers for providing us with cheap sugar it may be that they will require us to pay that debt during the third year of the agreement.

The fostering and preservation of the Queensland sugar industry by the Government has been repaid to the people of the Commonwealth by virtue of the cheap sugar received during the currency of the war. When the agreement comes before the Senate I shall support it, and as this measure is an integral part of that document I shall support its passage also. I am hopeful that under the agreement, the production in Queensland will considerably increase, and it seems that if we can produce in Australia all the sugar we consume, that the retail price will automatically drop 1d. per lb. The real basis of the agreement with the

Queensland sugar-growers is a retail price of 5d. per lb., but the artificial basis of 6d. per lb. has been created because we have to average up to the extent of 1d. per lb. for the higher priced imported sugar. If the world's parity comes down to the cost of production in Queensland, it will not be necessary to pay an extra 1d. per lb. as we are doing at present. I am hopeful that during the third, if not the second year of the agreement, the consumers of the Commonwealth, instead of paying a retail price of 6d., will be paying only 5d. in consequence of the automatic drop I have mentioned. The Queensland producers and the Commonwealth Government are no worse off, and this elastic and clever agreement will bring about that state of affairs as soon as the world's price justifies it.

Senator BAKHAP (Tasmania) [5.33].—My remarks on the Bill now before the Senate will be very brief. I always recognise that it is an honorable senator's duty to put up as good a case as he can on behalf of any industry or interest appertaining to the State he helps to represent. There is no doubt that an honorable senator's duty in regard to the interests of his own State are overshadowed only by the greater and more important interests of the Commonwealth as a whole. Senator Crawford has made out a good case for the industry in the State he represents, and, no doubt, although he did not expressly say so, his remarks were intended to be in support of the arrangement entered into by the Queensland sugar-growers and the Commonwealth Government. I must say, however, that he spoke in somewhat deprecatory terms concerning the supposed action of the fruit-growers in Tasmania. Just as cane-growing and the manufacture of sugar are vital to the State of Queensland, and the northern portion particularly, so is the production of small fruits vital to the interests of the hardy settlers in the small State of Tasmania.

Senator SHANNON.—Could you not grow beet sugar there?

Senator BAKHAP.—We have all the time there is to grow beet, and we shall grow some later on. We can grow it, but the manufacture of beet sugar has only lately become a moderately successful

industry in Victoria, so we intend to hasten slowly in that regard.

There is not the slightest doubt that, if cheap sugar were available to jam manufacturers in other countries, while jam manufacturers in Australia had to pay a high price for sugar in order that cane might be locally grown and manufactured into sugar within Australia, the grower of small fruits in Australia would be to a very large extent prejudiced and, in fact, his industry would quite conceivably be absolutely destroyed. It must, of course, be understood that for many years the jam manufacturers of Australia did have available to them cheap sugar from Mauritius, Java, and other sugar-producing countries.

Senator CRAWFORD.—That was for their export trade.

Senator BAKHAP.—Yes. Anything that tends to disturb the equilibrium of an important industry is always viewed with apprehension by the people engaged in it, and just as the sugar-growers of Queensland have in their service men like Senator Crawford to look after their interests, to come down here to the capital city of the Commonwealth, even before they are in the Legislature, to voice those interests, and to see that justice is done to them, so it is perfectly natural that the growers of small fruits in the State of Tasmania should voice any feeling of hesitation with which they may regard any agreement entered into between the Commonwealth and the cane-growers of Queensland, concerning a factor so vital to the successful manufacture of jam. While sugar is at a high price right through the world, I do not anticipate from this agreement any unsatisfactory results to the growers of small fruits, but directly sugar cheaper than it can be produced in Australia is available to the jam manufacturers of other countries, the growers of fruits necessary to the manufacture of jam in Australia will be prejudiced. The jam manufacturers will be prejudiced in regard to their export trade beyond all doubt, although they may not suffer anything specially prejudicial in regard to the Australian market; but the Australian market in itself is not sufficient for the manufacture of Australian jam. Australian jam is a commodity manufactured in such quantities that oversea markets are essential to the absorption of our surplus production.

Senator CRAWFORD.—Will not the rebated import duty meet them when those circumstances arise?

Senator BAKHAP.—Let us hope so. While in the present condition of things I do not regard the agreement as likely to be very prejudicial, or even prejudicial at all, to the interests of the Australian growers of small fruits, I feel that the feelings of trepidation with which at first they regarded it are not such as should be made the subject of reprobation. Their sentiments of hesitation and doubt with regard to the future of their industry were just as honestly entertained as were any feelings of doubt felt concerning the future of the sugar-producing industry in Queensland by the farmers of the north. These things show that, notwithstanding the racial unity of our people, the inevitable diversity of conditions over such a large portion of the world's superficies as is represented by the Australian continent makes it necessary at all times to take into consideration the consequent diversity of interests. The difficulty, not always apparent to the people of the different States, is for honorable senators, representing the whole of the Australian people, to do justice to the people of their own States as sections of Australia's population, and at the same time to do justice to Australia's population as a whole. It is sometimes a very difficult matter to balance these apparently conflicting interests, and to get everything into a state of Australian equilibrium. The interjections I made during the course of Senator Crawford's speech are, therefore, not to be regarded as hostile to the sugar industry of the northern State. I wish the sugar industry of Australia every success, for I believe that sugar is one of those commodities which, in the present condition of the world's affairs, it is necessary to have produced in considerable quantities on the Australian continent.

I am not a fanatical Protectionist. Give me 100 years of assured peace, and I fancy I would embrace the Free Trade principle to-morrow; but, seeing that we are far from a world's peace, and seeing that many of the world's population show a very contentious spirit, it is essential for Australia to be as self-contained as she

can reasonably be. Reasonable encouragement and Protection, both internal and external, should, therefore, be given to the Queensland sugar industry. At the same time, with all due deference to Senator Crawford, I shall protest against any detrimental remarks that may be made regarding any action taken by orchardists, not only of my own State, but of any portion of southern Australia, who anticipate that the jam-making industry and its export trade may be prejudiced if cheap sugar becomes available to manufacturers outside Australia, while our own jam-makers have to use dearly produced Australian sugar in their operations. I hope that both the jam-making and the sugar-making industries will continue to flourish. If the agreement entered into continues to be reasonably satisfactory to the growers of the northern State, I will make no protest, but will hope that both industries—jam-making and sugar production—so closely associated in the minds and activities of the Australian people, may flourish and be profitable to those engaged in them.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 (Short title).

Senator PRATTEN (New South Wales) [5.42].—It is provided by this clause that “the principal Act, as amended by this Act, may be cited as the Sugar Purchase Act 1915-1920.” Does that refer to the Commercial Activities Act?

Senator MILLEN.—No; a Sugar Purchase Act was passed as far back as 1915.

Senator PRATTEN.—Then this really means the extension of the Sugar Purchase Act until this year? The Bill has no bearing upon the agreement with the Queensland sugar-growers, but is merely to legalize the purchase of sugar outside Australia?

Senator MILLEN.—That is so.

Clause agreed to.

Clause 2, and title, agreed to.

Bill reported without amendment; report adopted.

ADJOURNMENT.

DESPATCH OF BUSINESS.

Senator MILLEN (New South Wales—Minister for Repatriation) [5.44].—In

view of the fact that the Senate has disposed of eight Orders of the Day, I move—

That the Senate do now adjourn.

Question resolved in the affirmative.

Senate adjourned at 5.45 p.m.

House of Representatives.

Wednesday, 12 May, 1920.

Mr. SPEAKER (Hon. W. Elliot Johnson) took the chair at 2.30 p.m., and read prayers.

PRESENTATION OF ADDRESSES.

Mr. FOWLER.—I wish to ask you a question, Mr. Speaker, in reference to a paragraph that appeared in to-day's press relative to the presentation of an address to the Prince of Wales, on behalf of Parliament, by the Presiding Officer of another branch of the Legislature. Will you kindly inform the House if any precedent exists under which the Presiding Officer of the Senate can act as the mouth-piece of this Chamber? What is the usual procedure followed in the presentation of addresses by Parliament to the King or his representative?

Mr. SPEAKER.—I knew nothing of the matter to which the honorable member refers until I saw the paragraph in a morning newspaper, but I have since had an interview with the President concerning it, from which I have learned that some proposal of the kind referred to is in contemplation.

I wish to say that neither the Presiding Officer of the other Chamber nor any other authority, except the Speaker of this Chamber, can act as the mouth-piece of this House. No other authority can claim to speak on behalf of this branch of the Legislature.

The procedure followed in the presentation of addresses to the King or his representative has been that each House has, on motion, adopted the address, which has then been presented to the representative of the Crown by the Presiding Officer of each House respectively. The last occasion on which Parliament

presented an address to the Crown was after the capitulation of Germany and the virtual termination of the war, when each House adopted an address of congratulation to His Majesty the King, and the addresses were presented by the Presiding Officers of the respective Chambers, namely, by the President for the Senate, and by me, as Speaker, for this House, on ground common to both Houses; on that occasion it was on the steps in front to this building. On all other occasions when addresses have been presented to the King's representative, they have been presented, so far as I can learn, by the Presiding Officer of each Chamber on behalf of the branch of the Legislature over which he presides. The Speaker is the official medium of communication between the House of Representatives and the Crown.

WOOL CLIP.

Mr. RICHARD FOSTER.—I wish to know from the Prime Minister if the statement which appeared in the press the other day, indicating possible new proposals for dealing with the forthcoming wool clip, accurately represent his intentions and those of the Government?

Mr. HUGHES.—I did not read it through, and therefore I am unable to answer the question positively, but seeing that the proposals were presented in a very condensed form, it is highly improbable that it does. I noted that certain things which in my view are material were omitted. However, I shall look at the report again, and see whether it may be said to accurately reflect my opinions. It does not, and cannot be said to, set out the opinions of the Government, because it was not intended to do so.

Mr. RODGERS.—In view of the cabled announcement of astonishment from overseas, and the false light in which what must be regarded as premature proposals in connexion with the wool clip appear, and also to prevent the Australian wool-growers being put into a false position, will the Prime Minister take steps to cable that the proposals are not those of the Australian Government?

Mr. HUGHES.—Until I know what proposals the honorable member alludes to—and I am not at all sure that he

knows what proposals have been put forward—I can hardly refute any statement that has been made, and I certainly do not propose to embarrass the wool-growers of Australia, or this Government, by having cable communication with the British Government over a matter that does not concern it. Our 1920-21 wool clip is the property of the growers of Australia, and the British Government have no more to do with it than the French or the American Government.

TREATY WITH JAPAN.

Mr. WEST.—The following paragraph appeared in this morning's *Argus*—

ANGLO-JAPANESE ALLIANCE.

AUSTRALIA'S ADVICE TO BE SOUGHT.

The United Press correspondent in Washington says that the advice of Australia, New Zealand, and Canada will be sought before Great Britain renews her alliance with Japan.

He adds that the renewal of the alliance is considered certain.

Before any alliance is renewed, or made with other Governments or nations, will Parliament be informed of its terms and conditions, or are these treaties to be regarded as secret documents?

Mr. HUGHES.—The honorable member, in the most loose and casual way, asks me a question on a matter of vital importance affecting the fate of nations. Possibly, he may express surprise when I say that I am not prepared to answer his question on the spur of the moment any more than I would be able to explain off-hand some of the passages in Genesis or Leviticus.

OVERSEAS MAILS.

Mr. CORSER asked the Postmaster-General, *upon notice*—

1. Is it a fact that serious inconvenience and loss are suffered by the mercantile community and others in the Commonwealth through the very unsatisfactory overseas postal mail conditions?

2. Will he cause suitable mail contracts to be arranged with the overseas steamship companies at as early a date as possible, and thus secure a suitable mail service between at least Great Britain and the Commonwealth?

Mr. WISE.—The answers to the honorable member's questions are as follow:—

1. Complaints have been made to the Department regarding the present unsatisfactory overseas mail service, which is one of the results of the war.

2. Prior to the war, the service was carried out weekly by steamers of the Peninsular and Oriental Company and the Orient Line, under contracts with the British and Commonwealth Governments respectively. These contracts were interrupted by the war, and I have been unable to ascertain definitely when the Peninsular and Oriental steamers (under contract with the British Government), which were withdrawn altogether from the Australian service, will take up that service regularly; but I understand that the company hopes to resume monthly running to Australia from July, 1920. The Orient contract, which does not expire until 17th September, 1921, is being carried out as far as possible with the reduced number of steamers available, and action is proceeding on the question of arranging a fresh contract on its expiration.

MILITARY OFFICERS.

RETIRING ALLOWANCES.

Mr. MARR asked the Minister representing the Minister for Defence, *upon notice*—

1. Whether, upon the recent retirement of Generals Lee and Parnell and Colonel Holman from the Military Forces, any retiring allowance was made or special leave granted?

2. If so, what amount?

Sir GRANVILLE RYRIE.—The answers to the honorable member's questions are as follow:—

1. These officers, on retirement, are eligible for a sum equivalent to six months' pay in lieu of furlough, under Australian Military Regulation 407. In addition, the Government has approved of the payment of special grants, according to the service of the officer concerned.

2. The amounts payable are:—

—	Payment under A.M.R. 407.	Special Grant.	Total.
	£ s.		
Major General G. L. Lee ..	450 0	£900 (1 year's salary)	1,350
Major General J. W. Parnell ...	£600	£1,800 (1½ year's salary)	2,400
Lieutenant Colonel R. C. Holman ..	£337 10	£337 10s. (6 months' salary)	675

LETTER-CARRIERS: PAY.

Mr. CHARLTON asked the Postmaster-General, *upon notice*—

1. Whether the rates of pay awarded to the letter-carriers and assistants in the Naval

Branch in the capital cities have been extended to the employees in the country and suburban post-offices?

2. If not, will he apply the provisions of the award to such employees?

Mr. WISE.—The answers to the honorable member's questions are as follow:—

1. Yes, so far as postmen are concerned; but country and suburban assistants come under the provisions of other awards made by the Court on 9th April, 1920, which will come into operation as from 26th April, 1920, if Parliament does not disapprove of such awards before 5th June, 1920.

2. See answer to No. 1.

WAR GRATUITY.

Dr. MALONEY asked the Acting Treasurer, *upon notice*—

1. *Re* applications for the war gratuity, will the Minister appoint officers in the Department of Defence to assist the applicants in such applications?

2. In order to make such applications easier for the unfortunate dependants, will he arrange that one signature instead of six be sufficient on such applications?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follow:—

1. This has already been done.

2. The application forms were designed after careful consideration, to afford security both to the person entitled to the gratuity and to the Government. None of the requirements can be relaxed in respect of the applications referred to.

TRAVELLING POST-OFFICES.

Mr. LAVELLE asked the Postmaster-General, *upon notice*—

1. Does he intend to restore the travelling post-offices cut out by the late Postmaster-General during the war?

2. If so, when?

3. Is it a fact that the General Post Office took control of the travelling post-offices from the Inspection Branch and placed them under the Superintendent of Mails?

4. Are not the District Inspectors more conversant with this work than the Superintendent of Mails?

5. What further curtailment does the Superintendent of Mails recommend?

6. What expenses and allowances are paid the Superintendent of Mails while he is travelling and making recommendations?

Mr. WISE.—The answers to the honorable member's questions are as follow:—

1 and 2. This matter is now receiving my attention.

3, 4, 5, and 6. Inquiries are being made.

COMMONWEALTH SHIPS.

DESIGNS AND PLANS.

Mr. MAHONY asked the Minister in Charge of Shipbuilding, *upon notice*—

1. Whether it is a fact that the design and plans for the 12,500-ton ships to be built by the Commonwealth in Australia have been found to have been most unsuitable, and that ships built on such design would prove to be most unseaworthy and dangerous?

2. If so (a) who was responsible for the design and plans; (b) what was the total cost of preparing the design and plans?

Mr. POYNTON.—The answers to the honorable member's questions are as follows:—

1. No.
2. See answer to No. 1.

MAIL CONTRACTORS: DROUGHT ALLOWANCE.

Mr. LAVELLE asked the Postmaster-General, *upon notice*—

Owing to the difficulty being experienced by mail contractors in the drought-stricken areas in carrying out their contracts, will the Government see that a further allowance is paid to all mail contractors so affected, so as to enable them to carry out their contracts?

Mr. WISE.—A liberal allowance has already been made by the Government. Any further cases deserving special consideration will be dealt with on their merits.

DECLINE IN WHEAT PRODUCTION.

Mr. LAVELLE asked the Prime Minister, *upon notice*—

Whether, owing to the precarious state of the wheat-growing industry in Australia, and the serious decline in the area cultivated, the Government will take steps to give a guarantee of 7s. 6d. per bushel for the next season's wheat crop?

Mr. HUGHES.—The policy of the Government on this matter has been already stated.

COALING AT PORT PIRIE.

Mr. MAKIN asked the Prime Minister, *upon notice*—

1. Whether the Commonwealth Government has received any payment from the Government of South Australia for the coaling gantries at Port Pirie?

2. If so, for what reason?

Mr. HUGHES.—The answers to the honorable member's questions are as follows:—

1. No.

2. For the reason that the South Australian Government are not prepared to make any payment without reference to the State Parliament, which reference, the Premier intimates, will be considered in connexion with the legislation to be introduced next session.

ROYAL VISIT.

PAYMENT FOR HOLIDAYS.

Mr. MAHONY asked the Minister for the Navy, *upon notice*—

1. Will he see that all employees in the Naval establishments, are paid for holidays during the visit of H.R.H. the Prince of Wales?

2. If it is not the intention to pay for such holidays, will the Minister allow all employees who desire to do so to remain at work during the holidays, so that they may not lose their pay?

Sir JOSEPH COOK.—I can give only a general answer to this question. We are arranging the matter as far as possible in association with the two States chiefly concerned, and I hope that the result will be that we shall be generous. Precisely what we shall do I do not at present know.

SOLDIERS' HOMES, SOUTH AUSTRALIA.

Mr. MAKIN asked the Minister representing the Minister for Repatriation, *upon notice*—

1. Has the State Bank, South Australia, been able to meet at once the urgent need of soldiers making requests for homes?

2. Has the Commonwealth Department supplied homes to men who were unable to get them through the State Bank?

3. Will the State Bank have to enlarge its staff if they take over the matter of Commonwealth Homes?

4. What number of homes have been allotted, and what number of contracts are now let by the Commonwealth department?

5. Are there any indications that the State Bank could have provided these in addition to their own work?

Mr. POYNTON.—The Commissioner has supplied the following answers:—

1. Apparently not, as 893 applications to the 3rd May had been received for advances under the War Service Homes Act.

2. Under the State Housing Scheme applicants receiving a salary of over £300 per annum are not eligible for an advance. Under the War Service Homes Act advances are made

irrespective of the salary received by the applicant. The information desired by the honorable member could not be supplied without interrogating each applicant, but it is reasonable to assume that there are many returned soldiers in South Australia receiving a salary of over £300 per annum who would be ineligible under the State Housing Scheme.

3. Yes, if the applications are to be dealt with without delay.

4. To the 3rd May in South Australia 234 homes had been allotted to applicants, and, in addition, 26 were in course of construction, 75 contracts had been let, and tenders had been called for 24 others.

5. See answer to No. 1.

DEPORTATION OF ITALIANS.

Mr. LISTER asked the Prime Minister, *upon notice*—

1. Whether the Government is aware that there is great unrest among the Italian community in Australia owing to the persistent statements made that the Commonwealth Government acted without any authority in deporting Italians for military service in Italy?

2. Is the Government aware that statements have been repeatedly made that the Italian Government never made any request to the Australian Government prior to the Italian reservists being called up for military service or being deported abroad?

3. Will the Minister prepare for public information a summary of the position and policy of the Italian Government and the Australian Government in calling up and deporting Italian reservists, and showing what action was taken thereon in Australia for the calling up of the military reservists for service in Italy?

4. Was the action taken by the Italian and the Commonwealth Governments legal under the circumstances?

Mr. HUGHES.—The answers to the honorable member's questions are as follow:—

1. No.

2. No.

3. Yes, a statement will be laid on the table of the House.

4. All action taken by the Commonwealth Government was in accordance with the law. I am not in a position to answer the question in so far as it affects the Italian Government and the laws of Italy.

PUBLIC SERVICE.

SOLDIER EMPLOYEES: RESIGNATIONS: TEMPORARY EMPLOYEES.

Mr. CHARLTON asked the Postmaster-General, *upon notice*—

1. Whether a modified examination was promised to enable soldier employees, on their return from the war, to enter the clerical branch of the Public Service?

2. If so, how many examinations have been held, and what are the dates of such examinations?

3. Will he consider the advisability of admitting such employees to the clerical branch without examination if they have shown by practical work that they are qualified?

Mr. WISE.—The Acting Public Service Commissioner has furnished the following information:—

1. No promise was given, but modified examinations are arranged for the appointment of returned soldiers to the Clerical Division.

2. Examinations were held in April, 1918; May and August, 1919; and further examinations are to take place in June and August next.

3. The Public Service Act does not admit of appointments being made to the Clerical Division without examination. In view of the relaxed conditions attaching to the examinations for returned soldiers, it is not considered that provision to dispense with the examination is required.

Mr. BLAKELEY asked the Prime Minister, *upon notice*—

1. Whether he will procure a return of the number of resignations from the Commonwealth Public Service for the years 1918 and 1919 and the quarter ending 31st March, 1920?

2. Also a return showing the resignations for each quarter of the years mentioned above?

Mr. HUGHES.—Public Service statistics are compiled for financial years. The number of resignations for 1917-18 was 658; for 1918-19, 936; and for the nine months, July, 1919, to March, 1920, 1,037.

Mr. TUDOR asked the Prime Minister, *upon notice*—

1. Does he still adhere to the views expressed by him in Sydney on the 18th February last that the temporary employees in the Commonwealth Public Service in New South Wales should at least be paid the minimum of £3 17s. per week recently fixed by the New South Wales Board of Trade?

2. If so, will he instruct the Public Service Commissioner and the Minister for Defence to give effect to this forthwith?

Mr. HUGHES.—As I indicated yesterday, in reply to a question by the honorable member for Nepean, Commonwealth employees in New South Wales are paid under Federal Public Service awards. The Deputy President of the Arbitration Court, on 9th April, 1920, fixed the basic wage for the Commonwealth at £3 10s. per week, and this is

being paid from 26th April. The adoption of State rates would involve differential Federal rates, which is not desirable or practicable.

GEELONG WOOLLEN MILLS.

DUPLICATION OF PLANT.

Mr. LISTER asked the Minister representing the Minister for Defence, *upon notice*—

1. In order to cope with the ever increasing demand of the public for Australian manufactured cloth, whether the Government has made any move in the direction of duplicating the existing plant at the Commonwealth Woollen Mills at North Geelong?

2. If so, when is the work to be commenced, and when completed what is estimated will be the increased capacity?

Sir GRANVILLE RYRIE.—The answers to the honorable member's questions are as follow:—

1. The Government has approved of additions to existing plant and machinery which will enable the present output to be doubled, to be placed on next Estimates for parliamentary approval.

2. Details of the additional plant required are in course of preparation, with a view to orders being placed as soon as possible. When the additional plant is installed it is expected that the capacity of the mill will be an output of about 1,200,000 yards per annum.

ALLIED PARLIAMENTS OF EUROPE.

Mr. MARR asked the Prime Minister, *upon notice*—

Whether, in view of the reported arrival at Fremantle of Mr. Louis Sinclair, honorary secretary of the Commercial Committees of the Allied Parliaments of Europe, he has any official knowledge of this gentleman and his mission to Australia?

Mr. HUGHES.—No.

OIL IN PAPUA: PAPER.

Mr. POYNTON (Grey—Minister for Home and Territories) [2.50].—(*By leave*).—I wish to lay on the table a corrected copy of the memorandum regarding the co-operation of the British Admiralty with the Commonwealth Government for the development of oil resources in Papua in substitution for the document which was laid on the table last night, and ordered to be printed, but in

which the signatures were omitted. I move—

That the paper be printed.

Question resolved in the affirmative.

AUSTRALIAN SOLDIERS' REPATRIATION BILL.

In Committee (Consideration of Senate's message):

Alternative amendment disagreed to by the Senate:—

47A. (1) The Commission shall, subject to the approval of the Minister, have power to assist soldiers by way of loan to the extent of £1 for £1 contributed by them in cash or war bonds for the purpose of establishing industries on a co-operative basis, such industries to include the manufacture of boots, woollen goods, and clothing, tanning, wool-scouring, fell-mongering (and kindred industries), saw-milling and other enterprises.

(2) The regulations may prescribe the conditions upon which any loan granted in pursuance of this section shall be repayable.

Mr. POYNTON (Grey—Minister for Home and Territories) [2.52].—After extended consideration of the position created by the attitude of the Senate in regard to the alternative amendment of this House, dealing with advances to returned soldiers for the purpose of establishing industries on a co-operative basis, to which the Senate has disagreed and with a view to reaching finality on the matter—because we are anxious that the advantages given by the Bill shall be extended to those who are to participate in them—the Government have decided to ask honorable members not to insist on this amendment, but to substitute another amendment, and submit it to the Senate for acceptance. Therefore, I move—

That the alternative amendment to amendment No. 30, disagreed to by the Senate, be not insisted on, but that, in place thereof, the following clause be inserted in the Bill:—

47A. (1) The Commission shall, subject to the approval of the Minister, have power to assist Australian soldiers by way of loan, to an extent not exceeding £1 for each £1 contributed by them in Treasury bonds issued under section 13 of the War Gratuity Act 1920, or in cash, for the purpose of establishing co-operative businesses.

(2) The amount of any loan granted in pursuance of this section shall not exceed £150 and shall bear interest at such rate as the Commission determines.

(3) The aggregate amount of loans granted in pursuance of this section shall not exceed £250,000.

(4) An Australian soldier who has a share or interest in a business in respect of which a loan has been granted in pursuance of this section shall not transfer his share or interest—

(a) unless the transferee is an Australian soldier approved by the Commission, or

(b) where the transferee is not an Australian soldier, unless, in the opinion of the Commission, there are special circumstances which render the transfer desirable.

(5) No person shall, without the consent of the Commission, enter into a mortgage, or give any lien, over the property of a business in respect of which a loan has been granted in pursuance of this section, and any mortgage or lien entered into or given in contravention of this subsection shall be void and of no effect.

(6) The Commission, or any person thereto authorized by the Commission, shall at all times have access to, and may inspect, the books and premises of any business in respect of which a loan has been granted in pursuance of this section, and if, upon such inspection, the Commission considers that the business is being conducted in such a manner—

(a) as to depreciate the security of the Commission for the moneys lent by it; or

(b) as to prejudice the interests of the shareholders of the business, the Commission may require such alteration in the control or conduct of the business as it thinks desirable.

(7) Notwithstanding anything in this section a loan shall not be granted for the establishment of a co-operative business—

(a) unless application for the loan is received by the Commission within twelve months after the commencement of this Act or the discharge of the applicants from the Forces, whichever last happens;

(b) unless the applicants satisfy the Commission that they are qualified to carry on that business;

(c) unless the agreement, deed or articles of association entered into by the applicants is approved by the Commission; and

(d) if, in the opinion of the Commission, the applicants have been satisfactorily established in civil life.

(8) For the purposes of this section "co-operative business" means a business which, subject to the rights of the Commission in respect of any loans granted for establishing the business, is owned by persons engaged therein.

(9) The regulations may prescribe the conditions upon which loans may be granted in pursuance of this section and the conditions upon which such loans shall be repayable.

That is an honest attempt to have businesses established by returned soldiers on co-operative lines, and it will be perfectly

safe from the point of view of the taxpayers generally. The original proposition of the honorable member for Echuca (Mr. Hill), and that of the honorable member for Capricornia (Mr. Higgs) were somewhat loosely drawn, and the Government felt that it was necessary either to elaborate the provision on the lines of the present proposal or to bring down a special Bill for the purpose.

Mr. HIGGS.—A Bill would have been better.

Mr. POYNTON.—Yes; that is why so much detail has been required in this new alternative amendment. There is not the slightest hope of our coming to an amicable arrangement with the Senate for the acceptance of our other proposal, and the only alternative is to send forward this new proposal or drop the Bill altogether, thus depriving those who are to participate in its extended benefits of the advantages it gives. There is no doubt it is a much more liberal measure than the Act on the statute-book to-day.

Mr. JAMES PAGE.—Senators do not seem to care whether the Bill is lost or not. Let us put the onus on them.

Mr. POYNTON.—That is not such an easy matter. We have responsibilities here.

Mr. McDONALD.—They have responsibilities also.

Mr. POYNTON.—I have no desire to create friction between the two Houses on those lines. Some honorable senators are opposed to the proposition right out, but from what I can gather from reading the *Hansard* report of the Senate's proceedings, the principal objection to our proposal was because of the loose way in which it was drafted. All cause for objection on that ground is removed by the new proposal, because it imposes fairly stringent conditions. As custodians of the public purse, it is the duty of this House, as well as of the Senate, to see that legislation of this character is so drafted as to adequately protect the Commonwealth revenue and provide no opportunities for abuse.

Mr. JOWETT.—In view of the very great importance of this amendment, which has only come under the notice of honorable members during the last few moments, I ask the Minister to report progress.

Mr. HIGGS (Capricornia) [3.2].—I sincerely regret that the Minister has not given the Committee more opportunity to consider these proposals. I take very grave exception to his suggestion that my amendment was loosely drawn. It was most carefully drafted, and the addition of the last paragraph, at the request of the Minister, providing that regulations might prescribe the conditions under which any loan should be repayable, made the clause almost perfect.

Mr. WEST.—Was it not drawn by the draftsman?

Mr. HIGGS.—No; but it was submitted to the draftsman. Reading hurriedly the first portion of the amendment which the Minister has just placed before the Committee, it would appear that the Government propose to grant not more than £150 in any one loan.

Mr. RODGERS.—That is in conformity with the regulations under the existing Act.

Mr. POYNTON.—Exactly.

Mr. HIGGS.—Of what advantage would such a loan be in carrying out the desires of the honorable member for Echuca (Mr. Hill), whose original amendment was designed to encourage co-operative enterprises in saw-milling, bootmaking, and other industries.

Mr. RODGERS.—The limitation to £150 applies only to individual soldiers.

Mr. HIGGS.—The proposed new alternative does not say that, thus indicating how loosely it has been drafted. If the amendment does mean that £150 may be given to each soldier engaged in a co-operative enterprise, how far will the £250,000 go?

Mr. POYNTON.—At any rate it will provide an opportunity of seeing how the scheme will work.

Mr. HIGGS.—I ask the indulgence of the Committee while I read the following letter sent to me by Mr. George Lawson, the Honorary Secretary of the Returned Sailors and Soldiers Imperial League, Brisbane branch:—

At a largely attended meeting, comprising returned sisters, sailors, and soldiers, held on Friday last, I was directed to forward to you the following resolution, which was carried unanimously:—

“That this meeting of returned sisters, sailors, and soldiers urges the Federal Government to support the proposal whereby the Government will subsidize the soldiers' co-operative scheme, either by assisting on the basis of £1 for £1, as outlined by Mr. Higgs,

M.H.R., or by making advances to returned soldiers for investment in co-operative enterprises. This meeting is of opinion that a successful co-operative scheme will do much to solve the present high cost of living, and to foster Australian industries.”

I commend the foregoing resolution for your kind co-operation, and trust that you may be successful in placing this concession on the statute-book.

I do not desire to delay the passage of this Bill. It should be put into operation as soon as possible. But I fear that the alternative proposal suggested by the Minister can only lead to delay. I am satisfied that honorable members will not accept the amendment in its present loosely drawn state, for the reason that there is a doubt as to whether the £150 is to be granted to each individual or to each group.

Mr. POYNTON.—We can easily rectify that.

Mr. HIGGS.—If there is something to be rectified in the Minister's amendment, why did he cast reflections on the drafting of my amendment? Here is another difficulty. Sub-clause 7 reads:—

Notwithstanding anything in this section, a loan shall not be granted for the establishment of a co-operative business—

(d) If in the opinion of the Commission, the applicants have been satisfactorily established in civil life.

Probably over 200,000 soldiers are at work to-day. I understand that of all who have returned only about 18,000 are receiving sustenance. The great majority of the returned men are engaged in the factories, workshops, mines, or other places of employment. I suppose that most of them are, in the opinion of the Department, satisfactorily re-established in civil life. Therefore, if the Minister can prove that “Digger” Jones has been working at, say, Bedggood's factory for over six months, that man will be considered satisfactorily re-established in civil life, and he will not be entitled to any loan. The very men who might make a success of the co-operative scheme are probably those men who have been already re-absorbed in civil life. I suggest, and I will vote accordingly, that the Minister should withdraw his alternative amendment, and bring in a Bill to give effect to this scheme. If the proposal is to be placed on a proper basis, it ought to be introduced in the form of a Bill, so that the clauses may be properly

drafted to insure a practicable scheme in which the interests of both the Commonwealth and the returned soldiers will be properly safeguarded.

Mr. FENTON (Maribyrnong) [3.10].—After only a cursory glance at the proposition submitted by the Government, a number of difficulties have been discovered. The honorable member for Capricornia (Mr. Higgs) has pointed to several mistakes, which the Minister, of course, has readily promised to rectify; but if mistakes can be found in this proposition after a mere cursory glance at it, it is probable that mature consideration would disclose many more. The suggestion that this scheme should be withdrawn from the Bill and embodied in a separate measure is one to which I shall not agree unless I have an assurance from the Minister as to the approximate date on which the new measure will be introduced. It seems to me that this new alternative scheme has been drafted at the behest of the leaders of the Senate, who are not the custodians of the public purse, and in such a form as to place almost insuperable difficulties in the way of returned soldiers who desire to become their own masters. It would exclude from the operation of the system applicants who, in the opinion of the Commission, had been satisfactorily settled in civil life. A concrete instance of the injustice which this would work is to be found in the statement made a few days ago by the honorable member for Wimmera (Mr. Stewart). The honorable member stated that he saw a number of returned soldiers doing the major work of a saw-milling business at a railway siding, and was told by them that the only reason why they did not start for themselves was that they had not the necessary capital. With a little assistance from the Government they would be able to start for themselves; but, under this alternative proposal, they would be regarded as having been "satisfactorily settled in civil life." These are the very class of men we want to reach. They would probably become leaders of others, and would be responsible for the industrial salvation of quite a number. I join with the honorable member for Capricornia in urging that the matter be allowed to stand over until a later hour, so that we might have time to consider it. I shall cer-

tainly oppose the proposition as it comes from the Senate.

Sir JOSEPH COOK (Parramatta—Minister for the Navy and Acting Treasurer) [3.15].—I appeal to the Committee to pass this proposal in the form in which it is presented. All that the Government have sought to do since we last met is to try to give shape to certain safeguards that are necessary if this is to be a workable scheme.

Mr. JAMES PAGE.—The Government have safeguarded it all right.

Mr. TUDOR.—So that not one man will be able to get a penny.

Sir JOSEPH COOK.—Such observations are perfectly idle; no fair reading of the alternative clause would justify any such language. The idea of the honorable member for Capricornia, as originally proposed, is retained in this alternative proposition. All that it is proposed to do is to frame a set of workable conditions under which that idea can be carried into effect.

Mr. McDONALD.—Could not that have been done by regulation under the original clause?

Sir JOSEPH COOK.—That is precisely what the Committee objected to. The Committee said that it desired to know exactly what was proposed to be done. Here is an effort to satisfy the Committee, and yet it meets with objection. I hope we shall get back to the consideration of this matter on reasonable lines.

Mr. GIBSON.—It is only fair that we should have time to consider the Government's alternative proposal.

Mr. HILL.—Give us an opportunity to digest it.

Sir JOSEPH COOK.—The honorable member knows that there is nothing novel in it.

Mr. GIBSON.—It makes provision for only 1,666 men.

Sir JOSEPH COOK.—I propose, if I may, to deal with that matter. It is time that something was said of the finances of the Commonwealth. The House itself seems to me to be getting into an irresponsible mood regarding finance. We have ever so many economy propositions, yet every day I hear from all round the House suggestions, the carrying out of which would involve an expenditure of millions of pounds. And

these suggestions come from the very men who are most clamant for economy. I would remind the Committee that the financial outlook is very serious.

Mr. McDONALD.—Why did not the Minister say so at the outset, instead of coming down with this alternative scheme?

Sir JOSEPH COOK.—I am saying so, and this further amendment says so in the plainest terms. It says in effect that there is a limit to which we can go, even in connexion with so desirable an objective as the repatriation of our soldiers. The Government would like to go quite as far as would any honorable member in that direction. This Bill is not necessarily a law of the Medes and Persians. It can develop just as the whole scheme of repatriation has done. This Bill represents a stage in the evolution of the scheme. As experience shows more and more to be necessary, more and more can be done. The Bill imposes upon us quite enough financial obligations for the immediate outlook, and these limitations are imposed so that we may know exactly what we are facing. That is necessary in the interests of the financial position of the country.

Mr. FENTON.—The best way to relieve the financial position is to produce more.

Sir JOSEPH COOK.—I am perfectly certain that my honorable friend, sitting just where he is, could cause millions to come out of the ground instantaneously. I am quite unable to do that. I could speak as the honorable member has done, but that would not give us the cash; it would not help us to face the liabilities outstanding at the present time.

May I remind honorable members that the Bill as it stands is far more liberal than the soldiers themselves expected. a great deal more liberal than any promises that were made to them at the general elections, when a specific limitation was placed on the amount to be devoted to the purposes of this Bill. The Government cannot allow itself to be committed to an unlimited expenditure in regard to this Bill, or any other. The financial outlook is too serious for that.

Mr. HILL.—Do you not think that the limit that has been fixed is too low?

Sir JOSEPH COOK.—No; though if it proved too low, proposals to increase it could be made later. I ask my honorable friends to get this scheme into operation,

and if it is proved that more money can be usefully and reproductively spent on these lines, the Government can always be asked for it. The Bill is much more liberal than was intended. According to the Prime Minister's *pronunciamiento* to the country, the expenditure under it was to be £650,000, but the increase in war pensions alone, for which it makes provision, will run into at least £1,250,000, and there are many other increases. We must pull up somewhere. Certain proposals may be justified on their abstract merits, and when regarded apart from their relation to the Bill as a whole; but I beg honorable members to consider what the measure involves financially, and I ask them to say whether it does not make a generous contribution for the welfare of the soldiers.

May I remind honorable members of a few of the commitments of this new Parliament? It may seem to some honorable gentlemen a small thing to ask for an increase here or there, but if they ever have to find the money for the whole, they will experience great difficulty in doing so. The War Gratuity Bill will increase our interest expenditure next year by £1,500,000, and we shall want another £1,500,000 to meet other increases in interest on expenditure on behalf of soldiers or their dependants. In this Bill the war pensions are increased by £1,250,000; the slight increase that has been made in the old-age pensions will add £750,000 to the bill for next year; and it looks as though the awards of the Courts would increase our expenditure by another £750,000. It is estimated, too, that the expenses of the Repatriation Department will run to another £1,000,000 next year.

Mr. JAMES PAGE.—But there is the money that you will get through the Customs House next year.

Sir JOSEPH COOK.—We shall need it all, and a great deal more. I have enumerated only four or five of the outstanding increases of expenditure. They will magnify our expenditure for next year by between £6,000,000 and £7,000,000. Then there is a clamour for an increase in the postal expenditure. What that increase will be I cannot pretend to say. Again, the cost of

running all the Departments will increase, because of the rise in the price of materials, upkeep, and everything else that makes living more expensive. Will honorable members tell me where we are to get all the money that we shall need?

Dr. MALONEY.—From the profiteer.

Sir JOSEPH COOK.—All we have been able to get from the profiteer this year is about £2,000,000.

Mr. TUDOR.—The honorable member is referring to the war-time profits tax, but that has ceased now.

Sir JOSEPH COOK.—It really lapses at the end of this year, but we shall get some revenue from it next year. Apparently next year our expenditure may be anything between £7,000,000 and £9,000,000 more than this year, and the increase will be due nearly entirely to the war and the consequent repatriation of the soldiers. Yet I am told by honorable members that we should spend still more heavily. Do not they see that our financial condition will not permit us to do so? We must keep within our means and resources. No doubt were I in Opposition, I could criticise the Bill as effectively as its opponents are doing, because it is easy to criticise and to say that this and that should be done. But we have to make up our minds as to what is a fair thing under all the circumstances, and having regard to the difficulty of getting the money that will be needed, I cannot regard proposals for expenditure as though they related to water-tight compartments. I have to consider them in relation to the finances generally; and our expenditure is mounting to a figure that is becoming appalling. This year, in connexion with repatriation, we shall spend something over £8,000,000 on land settlement, £5,000,000 on housing, £500,000 on postal arrangements, and another £500,000 on advances to the States to provide employment.

Mr. HECTOR LAMOND.—That wants looking into.

Sir JOSEPH COOK.—It all wants looking into. Vocational training, sustenance, furniture, tools, medical treatment, &c., will cost nearly £5,000,000. Altogether we shall have to spend about £19,250,000 upon the soldiers and their dependants.

Mr. PARKER MOLONEY.—How much is spent in sustenance?

Sir JOSEPH COOK.—I think about £2,000,000.

Mr. PARKER MOLONEY.—When I put down the amount at that figure last week, Senator Millen said that mine was an overestimate.

Sir JOSEPH COOK.—Well, it may be incorrect. I cannot tell the honorable member the exact amount now. The item given to me covers vocational training, sustenance, furniture, tools, medical treatment, and so forth, and runs into £4,700,000 for the year.

Mr. PARKER MOLONEY.—But sustenance—

Sir JOSEPH COOK.—Never mind sustenance—never mind details. The outlook for next year is £21,000,000 for those same purposes, and for war pensions next year our liability is between £6,000,000 and £7,000,000, and it is more likely to be nearer £7,000,000. I invite honorable members to keep these facts in mind when they so readily make proposals for expenditure of one kind or another. We have to “bring up” somewhere—there is some limit—if we are to keep within our compass and our means. I suggest strongly that to-day we are doing a fair and generous thing by these men. We cannot possibly do what honorable members suggest by the implications of their speeches. We cannot set every man up in business, or give him chances, other than his own calling affords. No country could afford to do that, and no country has attempted it. In these respects we have done more than any other country on the globe.

Dr. MALONEY.—That is a question; the Australian insurance was a fraud in comparison with that in America.

Sir JOSEPH COOK.—There is no question about the matter.

Dr. MALONEY.—I should like to see the data placed on the table.

Sir JOSEPH COOK.—There is no manner of doubt, in my judgment, and the honorable member will find that what I say is right. We have the prospect of having to raise, in addition to revenue, about £30,000,000 in fresh loan moneys during next year. Altogether, I tell honorable members the financial outlook is just as serious as it can be. Our revenue is coming in well, and our financial

position is sound, but it requires careful handling. We can just as easily make a mess of things as not, unless we stiffen ourselves to meet the financial obligations which are peaking up at so rapid and acute a rate. This year we are coming to the apex; we have been steadily climbing up year by year, and to-day we are getting to the top. I therefore suggest to honorable members that they do not push their proposals any further, for we cannot afford to carry them out until we shape ourselves differently, and see what the outlook is likely to be in the near future. We have as big a load as we can conveniently carry, and I beg honorable members to accept the Bill as it is—to accept it as a fair and generous contribution on the lines promised at the elections and since. On the whole, it is a Bill and a proposal which I believe fairly satisfies the soldiers as a whole. I hope honorable members will do nothing to-day, or at any other time, to jeopardize our proposals or overload them in any unreasonable way, having regard to the obligations we have to face in the near future.

Mr. TUDOR (Yarra) [3.39].—The Acting Treasurer (Sir Joseph Cook) has said either too much or too little. Under cover of asking honorable members to defeat the amendment that was carried by this House, he has delivered what is practically a semi-Budget speech; to quote his own words, the amendment has to be judged by the financial outlook. The honorable gentleman should have delivered that speech when the Bill was introduced; he ought to have told us that the financial outlook is black, and that we have to pay all these millions for pensions, war service homes, and so forth. The Ministers of the two big spending Departments—Defence and Repatriation—are not in this House, the Ministers (Senator Millen and Senator Pearce) both being members of another place. There they are gradually getting control of the spending of this money, and those two Departments spend more than the whole of the other Departments put together. The Treasurer (Mr. Watt), in his Budget speech, showed that we are spending £78,000,000 on war, up to the end of June, this year, an expenditure representing £1,500,000 a week.

Sir GRANVILLE RYRIE.—And the honorable member desires to spend more on repatriation!

Mr. TUDOR.—The Acting Treasurer (Sir Joseph Cook) should be honest, and declare that the Government will not accept an amendment, instead of offering a subterfuge of this kind.

Sir JOSEPH COOK.—It is not a subterfuge in any shape or form.

Mr. TUDOR.—The Government proposal pretends to do something that it will not do.

Sir JOSEPH COOK.—It does not.

Mr. TUDOR.—It pretends to give those men assistance, when the limitations in the amendment cut away that assistance.

Sir JOSEPH COOK.—That is not so.

Mr. TUDOR.—Why do not the Government apply the same conditions to men who go on the land? Why not give them the treatment that is given to men who enlisted from the cities or big towns, or even from the bush, but who have no opportunity of going on the land?

Mr. HILL.—The amount suggested—£250,000—will repatriate only 80 men on the land.

Mr. TUDOR.—The honorable member for Corangamite (Mr. Gibson) interjected that it would repatriate 1,666 men.

Sir JOSEPH COOK.—Is not that a very good beginning?

Mr. TUDOR.—Is it a good beginning for this Commonwealth, in view of the 400,000 men who went away? The honorable member for Capricornia (Mr. Higgs), whose amendment was defeated in the Senate, was quite correct when he said that the best type of returned men have gone back to their own work without applying to the Repatriation Department, and because they have done this they are deprived of the benefits proposed by the Bill.

Sir JOSEPH COOK.—All honour to them!

Mr. TUDOR.—I quite agree with the honorable gentleman, but why cut them off from the benefits of a measure of this kind? A man who has gone steadily to work himself is to have no assistance, and he is in the same position if he has been back more than twelve months, thus cutting out the original Anzac men.

Mr. POYNTON.—That is not so, as the honorable member will see on reference to the Bill.

Mr. TUDOR.—Yes, I see that the Anzac men have a chance, but, after all, only 1,666 men will get any assistance

under the Bill. I shall be pleased to support the honorable member for Echuca (Mr. Hill) in his original amendment, or any substitute for it, in order to show that we were earnest in all the promises we made to the men on the platform. I made promises on the platform, and to those promises I shall be true, though apparently other honorable members would desire to evade them on the ground that they are afraid of a financial crash. We should have had to raise a great deal more money than this co-operative proposal would involve if the Parliament had accepted the proposals for conscription, which were supported by the Acting Treasurer (Sir Joseph Cook), and which would have resulted in the raising of 200,000 more men. I shall vote against the proposal of the Government.

Mr. MAXWELL (Fawkner) [3.46].—I agree with honorable members who have made an appeal to the Government not to press this amendment to a division without giving honorable members more time for consideration. I certainly do not feel in a position to express an opinion without more time being allowed. The difficulty in which we find ourselves now very largely arises from the fact that the Government really does not believe in this amendment. I do not think that the Government believed in the amendment that was originally proposed by the honorable member for Echuca (Mr. Hill), and the amendment before us, after all, is, I feel very strongly, only a kind of makeshift.

The speech of the Acting Treasurer (Sir Joseph Cook) gives one pause, and leads one to consider whether we ought to pass this, or any other such amendment, involving as it does increased expenditure at a time when the country can very ill afford it. I cannot understand the position that some honorable members seem to have taken up when on the recruiting platform. The Leader of the Opposition (Mr. Tudor) speaks of the lavish promises he made to the men to whom he appealed.

Mr. TUDOR.—That every one made.

Mr. MAXWELL.—That every one did not make. I did as much on the recruiting platform as most honorable members, and, speaking for myself, I defy any honorable member to say that on any occasion I held out any promises to the men to whom I appealed. I made my appeal from the highest stand-point—the stand-

point of their duty to the country, and to their fellows at the Front; and I never made any promise as to what would be done for them, or given to them, on their return. I may say that I found the appeal I did make to the men an effective one. I agree with the Acting Treasurer that Australia has acted justly by the men who went to the Front, and I think, if we were to ask the average returned soldier, he would say that he has been fairly and well treated. This co-operative movement is something over and above anything that was promised, I believe, by any one to the soldiers before they went away.

Mr. HIGGS.—But because a man went away a navvy, you would not refuse to give him a show to get out of the ruck?

Mr. MAXWELL.—Certainly not; but this is not necessarily a part of our repatriation scheme, and it ought to be considered apart from it. All I am contending for at present is time for consideration. I believe, with the honorable member for Capricornia (Mr. Higgs), that this proposal is so important and far-reaching in its consequences as to require a separate Bill.

Dr. MALONEY.—That would mean much delay.

Mr. MAXWELL.—It might mean delay, but what is the delay of a few weeks or months in a great movement of this kind? There is a new and great principle involved in this proposal—and we are establishing a new departure. My experience of the House, so far, has been that there is far too much impulsive legislation. Honorable members vote on impulse, instead of being given time for calm consideration so that their votes may be the expression of a mature opinion formed by a well-informed mind. As I have not had time to read this new amendment, I cannot honestly vote upon it, because my vote would mean nothing. My mind is not informed. I have not had time for consideration. One paragraph catches my eye, the one to which the honorable member for Capricornia (Mr. Higgs) has drawn attention, dealing with the classes of men to whom advances will not be made. Included among them are men who in the opinion of the Commission have been satisfactorily established in civil life. It all depends on what is meant by the words

"satisfactorily established in civil life." A man whom I know has come back from the Front after four and a half years' service, and instead of loafing on the Repatriation Department, as some men have done, and drawing sustenance for months, he, by his own endeavours, got a billet after drawing sustenance for three weeks only. However, at the end of six months, for some reason or other, his employment came to an end, and when he went to the Repatriation Department to see whether they could give him further assistance or not, they said to him, "No, your case has been dealt with." Evidently the Repatriation Department consider that he has been satisfactorily established in civil life. That being the case, a man most deserving of sharing in the benefits of the scheme now under consideration would be told by the Repatriation Commission, "You have been satisfactorily established in civil life, and are not eligible to participate in these benefits." To make matters worse, this man, who has a wife and four children, received notice from his landlord two or three days after he became unemployed, and was called upon to leave the house upon which he had been paying rent regularly for six years. This is just one phase that occurs to me, but I certainly require time to consider the whole matter. I am sorry that I am not able to respond to the appeal of the Minister for the Navy (Sir Joseph Cook). I ask him now to respond to our appeal and give us a little more time for the consideration of the whole question.

Mr. CHARLTON (Hunter) [3.54].—I am in accord with the honorable member for Fawcner (Mr. Maxwell) that this proposal should be left in our hands for a day or two in order to enable us to give it more consideration. I did not have the privilege of hearing the debates on this matter, and have not had the opportunity of learning what influenced this Chamber in deciding to assist in establishing returned soldiers in co-operative industries; but I think no better channel could be made available for them in regard to their future employment. From a cursory glance at the proposal before us, it appears to me that a returned soldier who ought to have a perfect right to participate in the benefits of the pro-

vision will not be permitted to do so if he is now following his usual civil employment. There are dozens of returned soldiers whose cases have come under my notice, who have found, on resuming their usual occupation, that their health has been so impaired that they have not been able to earn what their fellow-employees can make, or what they were drawing before the war. They would like to get into businesses of their own, and I have had applications from them asking for assistance from the Repatriation Department to enable them to do so. If they sought assistance under the proposal before the Committee, very likely it would be held by the Repatriation Commission that these men would not be entitled to it, because they had been satisfactorily established in their usual occupations. The Minister for the Navy (Sir Joseph Cook) says that honorable members ought to agree to this provision because of the position of the finances. We all know that the finances are not in a good position. We know, in fact, that it is getting worse, and that, as things are going, some day or other we may have financial chaos; but I cannot see in what way the argument of the Minister applies to the proposal before the Committee. He invites us to agree to the amendment, and commit the country to an expenditure of £250,000, but I cannot see in what way it would add to the burden of the country if no limitation is placed on the classes of returned soldiers who may participate in the benefits given by the provision, so long as they are *bond fide*. I have heard the remark that there are some men who have not done quite the right thing, who could have found work, but made no attempt to get it, who, in other words, have malingered; but if there are men of that type—I do not say that there are—they will have the opportunity of benefiting under this scheme, whereas the man who has found work for himself on his return will not participate.

Mr. POYNTON.—We are committed to the expenditure of £250,000, but we cannot get the money for nothing.

Mr. TUDOR.—Land settlement is still to go on.

Mr. CHARLTON.—I believe that everything possible should be done for those who went abroad to fight for us

and if we can place them in suitable avocations we ought to do so, but I understand that in many cases a good deal of the money advanced to place soldiers on the land is to be returned to us in the shape of repayments. The argument of the Minister for the Navy, that we have already committed ourselves to the expenditure of about £20,000,000 for repatriation—it will probably be nearly £30,000,000 before we are through—is only misleading, and gives no assistance to the Committee. The Government would be well advised to allow the matter to remain in abeyance for a day or two to give honorable members an opportunity of considering it. According to the honorable member for Fawkner (Mr. Maxwell), who is a Government supporter, the Ministry are not in earnest in regard to this proposal. It would appear that they are endeavouring to find an easy way of coming to a settlement with another place. But I contend that this House ought not to whittle away its rights in regard to finances. It will be a bad day for the country when we allow the Senate to control the public purse. We ought to insist on our rights, and should not back and fill on a matter of this kind. We came to a deliberate conclusion that the amendment we sent to the Senate was appropriate for the measure, and the Government have done wrong in bringing forward an alternative proposal—it really is sufficient to form a Bill in itself—and asking us to consider and accept it at a moment's notice.

Mr. HECTOR LAMOND.—We have already put in a fortnight on this very same question.

Mr. CHARLTON.—Well, another fortnight would not be too long to wait, notwithstanding the fact that it is necessary to get the Bill passed as early as possible. The men need not suffer in consequence of the delay. The payments can be made retrospective. We are not justified in agreeing to this proposal on the reasons advanced to-day. Where shall we find ourselves if we allow things to drift in this way? The experience of the honorable member for Fawkner is that we agree to matters too hastily. Bills involving the expenditure of millions of pounds, just the same as those involving the expenditure of thousands of pounds, are passed without receiving the due consideration they deserve. I quite agree with the Minister for the Navy that there

are honorable members who are constantly talking about the financial position, yet are willing to still further extend the benefits that are granted to returned soldiers. But I am not going to withdraw from my position. If there is any malingering, or any injustice perpetrated on the part of the returned soldiers, it is a matter that should be rectified by those who are administering the Act. But we cannot escape from the promises made to the genuine man, the one who went abroad at our request, and to whom we made the promise that everything possible would be done for him on his return, or for his dependants in the event of his decease. Because the financial position is acute we cannot get away from the promises made in this chamber and elsewhere. I have heard almost every member promise in this House to do his best to conserve the interests of the returned soldiers in return for the sacrifices they made on our behalf. But now that the war is over, we are told that we are not able to find cash or do anything for these men if we can avoid it. We cannot honorably evade our responsibilities in this respect. This amendment involves too much to be dealt with hastily; it should receive the most careful consideration. I object to the proposed limitation to the assistance that is to be given; the fullest opportunity ought to be given to all returned soldiers. I have in mind some who are following certain occupations, working three parts time or half time, and often losing a day's work, on account of impaired health, due to warlike operations. Those men should be given an opportunity of getting out of such occupations. The majority of them have no money; but by pooling their war gratuity bonds and the loans from the £250,000 which the Government propose to make available, groups of a dozen or fifteen might be able to engage in co-operative enterprises, and thus make their future easier. We have a perfect right to ask the Government to give us time to consider this proposal. We should not be asked to accept it in a hurry, merely in order to overcome a difficulty that has occurred with the Senate. We should have an opportunity to study the proposal paragraph by paragraph and line by line. It is largely because of the haste with which

we did many things during the war that we find ourselves in our present financial position. Much money was squandered because of this House not giving full and proper consideration to measures that were brought before it. I admit that we were all much alike. In the early stages of the war we were carried away with the desire to do all we possibly could to help the Allied cause, and we voted for things which perhaps in our calmer moments we would not have supported. Now we have to foot the bill, and it is an ever-growing one. I fear that in the very near future a financial slump is inevitable. We cannot continue increasing indefinitely the cost of commodities and labour; we must reach a dead-end sooner or later. When that stage is reached we shall have financial chaos, and thousands of men will be unemployed. Those men who went abroad to do their part in the war will suffer, and largely through careless legislation and administration during the last five or six years. The time has arrived when this House should reassert itself as a deliberative assembly, and consider every proposal brought before it, in order to do what is best in the interests of the country. If we do that, we may have some chance of escaping from the financial difficulty which the Acting Treasurer (Sir Joseph Cook) has just foreshadowed. The information he gave should have been given to the House when the Repatriation Bill was first under consideration. We should not be told at this stage that we should be very careful as to what we do, that the country already owes so much money, and that our proposals are opening up fresh avenues of expenditure. That has nothing at all to do with the proposal now before us. If the financial position is as the Minister has described it, the Government had no right to accept the proposal moved, in the first place, by the honorable member for Echuca (Mr. Hill). If the country is not capable of bearing the expenditure now, it was not capable of doing so then; therefore, that argument, introduced at this stage, counts for very little. This scheme cannot be given that earnest consideration that is necessary unless honorable members are given more time to study the pros and cons. The Minister in charge of the Bill would be acting wisely if he agreed to

Mr. Charlton.

report progress, and delay further consideration of the measure for a few days.

Mr. JAMES PAGE.—Is it not time that some Government supporters were in the Chamber? Only three Ministerialists are present. I call attention to the state of the House. [*Quorum formed.*]

Mr. GREGORY (Dampier) [4.13].—I also ask the Government to report progress.

Sir JOSEPH COOK.—Not at present. I cannot see that anything is to be gained by doing so.

Mr. JAMES PAGE.—If the honorable member for Dampier will move to report progress, I will support him.

Mr. GREGORY.—I do not care to do that. If the Government see fit to continue, it will be their funeral, not ours. One cannot help being struck with the fact that some persons, who during the war could not be counted upon to render the assistance which the country needed, are by their eagerness to assist the returned soldiers to-day seeking to make political capital out of this matter. We should realize what this proposal means to the country and to the returned soldiers, and, casting all party politics aside, work together with the one desire of doing the best we can for the men who made sacrifices for us. Already, large sums of money have been expended on repatriation; other large sums have been promised, and if the proposal now before us is adopted it will lead to a considerably greater expenditure than the £250,000 mentioned in the Government amendment. We ought to recognise that if this assistance is to be given at all, £250,000 will be quite inadequate. I realize that it is only through co-operation that we shall be able to give the assistance that is desired; but I would prefer that every soldier who was qualified should be entitled to the same measure of help regardless of whether or not he was in business before he went to the war. I can see no reason why the man who was in business before he enlisted should receive generous assistance from the Government on his return, whilst the man who was working for wages should get no assistance at all. A wages worker may have enlisted as a private, gained high promotion, even won the Victoria Cross, but under the regulations he cannot be assisted because he enlisted as

a wages man. But I can see no other means of rendering practical assistance in this way except through co-operative effort. To my mind, the amendment which this Committee carried, at the instance of the honorable member for Capricornia (Mr. Higgs), was of negligible value. It is useless for the Government to limit their assistance to £1 for every £1 subscribed by the soldiers themselves. There is nothing generous in such a proposal; I believe that any financial company would assist to that extent, on the security offered. When the amendment of the honorable member for Capricornia was first proposed, I realized that to be of any value the Government's assistance should be at the rate of £3 for every £1 subscribed by the soldier. I still hold that view. The question is, however, how much money we can afford to spend. The Treasurer has told us of his financial difficulties, arising out of the enormous cost of repatriation and war pensions. I should like to impress upon the Committee that the greater proportion of the £20,000,000 of which the Treasurer spoke represents debts due by the States to the Commonwealth in connexion with repatriation. To a great extent, it is the States which are taking the responsibility.

Mr. RILEY.—The Commonwealth is paying the interest.

Mr. GREGORY.—Not all of it. The Commonwealth makes rebates in interest, but those rebates are given to the soldier, not to the States. Therefore, the States are taking a great measure of the responsibility for the huge sums of money that are being expended on repatriation. The Commonwealth finds the money, and the States are responsible. So far as land settlement is concerned, the States are taking practically the whole of the responsibility. I should like to know a little more as to the financial position. I was not here when the Acting Treasurer (Sir Joseph Cook) spoke, but it is idle for the Government to say that there is a shortage of money, and that they cannot repatriate our soldiers as they would like to do, when they are prepared at the same time to expend a large sum of money in building the Federal Capital.

Mr. RILEY.—The Capital will pay for itself.

Mr. GREGORY.—I have heard many absurd remarks in that regard. I have no wish to be offensive, but I do not

think that the honorable member really believes that the Capital would pay for itself.

Mr. HECTOR LAMOND.—Is it as bad as the construction of the East-West railway?

Mr. GREGORY.—Just as bad in the matter of worthless expenditure of money and the length of time occupied in carrying out the work. There can be no reasonable excuse for opposing the desire of the Committee on the score of economy when we find before the House other proposals for heavy expenditure, such as I have quoted.

I disapprove of the proposal to confine advances under this heading to £250,000, and I also think that advances of £1 for £1 would be useless. If a man can hand in bonds or cash by way of security, then subject to the Commission being satisfied as to the proposed method of expenditure, the Department should be able to advance at least £2 for every £1 put up. The limiting of the aggregate expenditure under this heading does not display on the part of the Government a keen desire to assist those who are certainly deserving of assistance. Quite a number of men who gave up good positions to fight our battles overseas, have found it impossible, on their return, to secure assistance from the Department in establishing themselves in business. I know a young man who, having qualified as a dentist, went to New Zealand, where he secured an appointment at a salary of £6 a week. On the outbreak of the war he returned to Victoria, and enlisted. He worked as a dentist at the Barracks for about six months at a nominal wage of something like 13s. per day, and then went to the Front. He was in the danger zone in France, taking the same risks as many soldiers, and at the end of about four years returned to Victoria, and asked the Repatriation Department for an advance of £200 to enable him to buy an outfit so that he might set up in practice for himself. Under the regulations, however, it was impossible for the Department to grant him any assistance because he had not been in business before he enlisted. That, to my mind, is unfair. It is unfair that a man who happened to be in business when he enlisted should receive assistance in re-establishing himself on his return, and that

another man who was not in business before he volunteered should be denied such help.

Mr. HECTOR LAMOND.—Under this proposal, if a man wished to enter into a co-operative enterprise, he would receive assistance, but if he desired to set up for himself, he would not.

Mr. GREGORY.—I believe we have too many people rushing into small city businesses at the present time. Should we not encourage a man who desired to set up for himself as a blacksmith, a saddler, or a bootmaker in a country district? I would help such men in preference to those who wished to start a wood and coal yard, a ham and beef shop, or a small grocery business in one of our cities. A man who set up for himself in a country town, and was helped by the Department to the extent of £150 or £200 in securing his tools of trade, would do good for himself, and his industry would be valuable to the whole community. I do not care whether it is by means of co-operation or any other system that we grant help as long as we give to every man who went away a fair chance to be repatriated. The proposal to which the Senate has objected would help a number of those of whom I have been speaking to establish themselves in some business. Many of them would be able—perhaps only in a small way—to set up a co-operative boot factory, or a saw-mill, or to embark in other industries. If the Government would reasonably entertain the desire of the Committee that a little more generous assistance should be given to those who were not in business before they went away, I am satisfied that we should be able to come to some satisfactory arrangement.

Mr. BELL.—Assistance to individuals?

Mr. GREGORY.—I should like assistance to be given to the men individually as well as collectively. I would remind the Committee that even if this proposal be rejected the Commission will still have power, by way of regulation, to give whatever assistance it pleases. Unfortunately, the regulations in the past have prevented assistance being given in the way I have suggested. The passing of the provision to which another place has objected would be an instruction to the Commission that the Parliament desired this assistance to be granted. I hope, therefore, that the Government will not push the question

to a division this evening. If they do, the decision of the Committee, I believe, will be very strongly against them. It is probable, however, that if we were given time to consider the proposal, and to suggest some reasonable compromise, we might be able to propound a scheme which would not entail upon the Government too great an outlay, and yet would be effective and advantageous in its working.

Dr. MALONEY (Melbourne) [4.30].—I do not approach the consideration of this question from a party point of view. It is to be regretted that the Bill was not introduced in the last Parliament. In that event many of the differences that arose between the contending parties at the last general election would have been less irritating than they were. The two parties could have faced the country with a proposal to give our returned men a fair chance. At no time during the recruiting campaign was it said that in our treatment of returned soldiers we would differentiate between Harry Brown, who worked in a saw pit, and James Jones, who worked on the land. We said that we would look after the dependants of all who went to the Front. This Bill, however, differentiates between different classes of men. According to the honorable member for Corangamite (Mr. Gibson), the alternative proposal made by the Senate would provide for the settlement of only 1,666 men. By what right are we to say to one class of men, "You are the sheep," and to another "You are the goats." The honorable member who was responsible for the original amendment providing for the assistance of returned soldiers in co-operative enterprises will always be able to regard with satisfaction the action taken by him, and the future will do him honour. He did not propose that there should be any differential treatment. The Acting Treasurer (Sir Joseph Cook) urged that there was need for economy. He admits, however, that the war-time profits tax has yielded only £2,000,000. Mr. W. L. Baillieu, to his eternal credit, publicly stated that that tax had never touched men like himself. It was not meant to do the work that we expected of it. Why do the Government not come forward with a strong measure of taxation which would take in a fair and equitable way from those who have most of this world's goods? It does not suit

the Government to do anything of the kind, but it does suit them to meet demands of this kind with the cry, "The finances will not stand it." I know that the finances of the Commonwealth are in a dangerous state, and no one is more anxious than I am that they should be protected. It is for that reason I advocate the initiative and referendum and recall, since in that way the people would be able to control the Government. Sir John Quick, who may be fairly regarded as one of the leading jurists of Australia, says that the Government have full power—

The TEMPORARY CHAIRMAN (Mr. Atkinson).—Order! The honorable member is going beyond the scope of the question before the Chair.

Dr. MALONEY.—I am afraid that I was following the bad example of the Minister for the Navy (Sir Joseph Cook), who, I was glad to hear, confessed that, were he still in Opposition, he might have something to say against the Bill. We remember how, in the old days, he used to find fault with everything. It may be necessary to enact that—

Notwithstanding anything in this section, a loan shall not be granted for the establishment of a co-operative business—

- (a) unless application for the loan is received by the Commission within twelve months after the commencement of this Act or the discharge of the applicants from the Forces, whichever last happens.

I find no great fault with that provision. It limits the time within which an application may be made. The proposed new clause continues—

Unless the applicants satisfy the Commission that they are qualified to carry on that business.

That would be fair if the clause stopped there. Then comes paragraph c—

Unless the agreement, deed, or articles of association entered into by the applicants is approved by the Commission.

I do not see any great need for criticism with regard to that. But paragraph d imposes this condition—

If, in the opinion of the Commission, the applicants have been satisfactorily established in civil life.

I think that that is an infamy; and I agree with what has fallen from the hon-

orable members for Capricornia (Mr. Higgs), Fawkner (Mr. Maxwell), and Dampier (Mr. Gregory).

Mr. JAMES PAGE.—Are you in favour of adjourning the debate?

Dr. MALONEY.—I think that the Government, instead of holding a hole-and-corner meeting outside the chamber, which I presume is being done, should seize the reins. There is nothing to be afraid of in what is the remnant of the laughing-stock of the past and the abomination of the present. Some of the senators, when they salute the President, are much in the position of gladiators saluting Cæsar—they are men about to die, their term expiring in June next. But until then those elected by the people must keep out of the so-called sacred chamber. I think that the Government should adjourn the debate until next Friday or Tuesday. The second Chamber should not boss this Chamber. There is only one way of preventing that. Governor-General Denman, to his eternal honour, was man enough to refuse a double dissolution, and was replaced by another sent here to give it. The only way in which this House can control the other Chamber is by sending it to the people; and if the ruling power in the community will not grant the Government of the day a double dissolution for that purpose, we had better get another to take his place. I suggest to the Government that they should follow the advice given by members on their side. In conclusion I draw attention to the state of the Committee. [*Quorum formed.*]

Motion (by Mr. JAMES PAGE) put—

That the Chairman do leave the chair and report progress.

The Committee divided.

Ayes ..	20
Noes ..	31

Majority ..	11
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AYES.

Blakeley, A.
Catts, J. H.
Charlton, M.
Considine, M. P.
Cunningham, L. L.
Fenton, J. E.
Gabb, J. M.
Hill, W. C.
Lavelle, T. J.
Lazzarini, H. P.
Mahony, W. G.

Makin, N. J. O.
Mathews, J.
McDonald, C.
Moloney, Parker
Page, Dr. Earle
Tudor, F. G.
West, J. E.

Tellers:

Page, James
Watkins, D.

NOES.

Bamford, F. W.
 Bayley, J. G.
 Bell, G. J.
 Best, Sir Robert
 Bowden, E. K.
 Bruce, S. M.
 Cameron, D. C.
 Cook, Sir Joseph
 Cook, Robert
 Corser, E. B. C.
 Foster, Richard
 Fowler, J. M.
 Francis, F. H.
 Gregory, H.
 Higgs, W. G.
 Hughes, W. M.

Jackson, D. S.
 Lamond, Hector
 Lister, J. H.
 Livingston, J.
 Mackay, G. H.
 Marks, W. M.
 Marr, C. W. C.
 Poynton, A.
 Prowse, J. H.
 Ryrie, Sir Granville
 Smith, Laird
 Wienholt, A.
 Wise, G. H.
 Tellers:
 Burchell, R. J.
 Story, W. H.

PAIRS.

Anstey, F.
 Nicholls, S. R.
 Stewart, P. G.
 Maloney, Dr.
 McWilliams, W. J.
 Ryan, T. J.
 Mahon, H.
 Brennan, F.

Watt, W. A.
 Chanter, J. M.
 Chapman, Austin.
 Greene, W. M.
 Blundell, R. P.
 Kerby, E. J.
 Fleming, W. M.
 Maxwell, G. A.

Question so resolved in the negative.

Motion negatived.

Mr. JAMES PAGE (Maranoa) [4.50].

—I moved that progress be reported, because I desired to show what a number of hypocrites there are in this House, who spoke in favour of a postponement, and voted against it. Amongst these members the honorable member for Dampier (Mr. Gregory) was very vehement in his protests against the continuation of the discussion.

Sir JOSEPH COOK.—Is a man a hypocrite because he declines to destroy the Bill?

Mr. JAMES PAGE.—A man is a hypocrite when he speaks in favour of the adjournment of a discussion and then votes against it.

Mr. BELL.—Was that your reason for moving that progress be reported?

Mr. JAMES PAGE.—If the honorable member would do what he is paid for doing, and stay in the House, he would know what my reasons were. The honorable member ought to remain at his place, because he is a Government "hack" supposed to be at the beck and call of the Ministers. I am merely trying to show what a number of hypocrites there are opposite.

The **TEMPORARY CHAIRMAN** (Mr. Atkinson).—I must ask the honorable member not to use the word "hypocrite."

Mr. JAMES PAGE.—May I set it to music, then? Since a week last Friday, when the Bill was sent from the Senate, the Government have been drawing up this amendment, and they now ask us to digest it without any time for consideration. This I regard as most unfair; the amendment ought to have reached us, at any rate, by post this morning. However, from what little I have seen of the amendment, I have arrived at the conclusion that the Government do not intend to do anything at all in regard to the proposal of the honorable member for Capricornia (Mr. Higgs), or the proposal of the honorable member for Echuca (Mr. Hill). The former proposal was accepted by the Government, and sent to the Senate, the members of which, however, thought fit to reject it. The other day, when the division was taken in another place, we had the unusual spectacle of Ministers and Whips, with one senator from Tasmania, voting in favour of the proposal, and all the other senators voting against it. Even now we have no guarantee that the bridge built by the Government will be availed of. The members of the House who constituted themselves a Returned Soldiers' Committee, came into existence with a great flourish of trumpets in the newspapers. They appointed a chairman and secretary, and, in order to show that they did not intend any harm to the Government, but were only a "milk-and-water" crowd, they emphasized the fact that a Minister was among them.

Mr. BELL.—This is the first time I ever knew I was a "wowsers"!

Mr. JAMES PAGE.—Are the returned men behind the Government a lot of "wowsers"?

Mr. LISTER.—I am one.

Mr. JAMES PAGE.—My definition of a "wowsers" is a man who does not believe in anything, even in himself.

Mr. LISTER.—That is your definition!

Mr. JAMES PAGE.—Of course it is, and it is the orthodox and authorized definition. Does the honorable member who interjects believe in the amendment or not? He is a returned soldier, and I have enough faith in him to think that he desires to do his best for the men who fought with him.

Mr. CORSER.—Where is the money to come from, to finance these co-operative concerns?

Mr. JAMES PAGE.—Here we have the honorable member for Wide Bay (Mr. Corser), and the representative of the Colonial Sugar Refining Company asking where the money is to come from. Does the honorable member forget that he was one of the loudest in assenting when the Government asked for money to carry on the war? It would appear that the Government can find money to send men to the Front, but not to settle them in peace time.

Mr. CORSER.—The Government are settling them.

Mr. JAMES PAGE.—Then what is the honorable member crying about? For settling men on the land any amount is available, but there is no money available for those men who went from the towns, and were formerly engaged in secondary industries.

Mr. BOWDEN.—How many men would claim under these provisions of the Bill?

Mr. JAMES PAGE.—Not one, with the Government amendments.

Mr. TUDOR.—That is what the Government desire.

Mr. JAMES PAGE.—Of course. This proposal of the Government is not an amendment to the Bill, but a Bill in itself.

Mr. BOWDEN. — Why do you desire more money to be provided if no one is going to claim it?

Mr. JAMES PAGE.—I do not desire the Government proposal to be carried. There are clauses in the Bill in which I believe, and others in which I do not believe; but the Government ought to be protected, and if money is advanced for co-operative industries the Minister should be satisfied that there is some chance of solvency and success.

Mr. CORSER.—The Minister is not an expert in businesses.

Mr. JAMES PAGE.—Why have we appointed three Commissioners if not to give the Minister advice? Will not these Commissioners make all the necessary inquiries and then advise the Minister? I may say there is no Minister of the Crown in Australia whom I would so trust to deal with millions as I would the Minister for Repatriation (Senator Millen).

Mr. CORSER.—But he has no personal experience of business.

Mr. JAMES PAGE.—I do not expect a Minister to have all the necessary knowledge, but I do expect him to have men around him who have. At any rate, a Minister always has the means of obtaining expert advice. No Minister, however reckless, would dare to throw money about indiscriminately over every wild-cat scheme. It will be observed that no man who has already been repatriated can avail himself of the proposed scheme. If a number of men desired, for instance, to start a co-operative machine boot factory, and sought to have a man who had already repatriated himself as their organizer or manager, they could not have their wishes complied with simply because of the fact that the man was already repatriated.

Mr. BOWDEN. — That difficulty could be got over by simply excluding men who had already been repatriated by the Department.

Mr. JAMES PAGE.—There could not be discrimination of that kind. It seems to me ridiculous to talk about providing £250,000 in view of the 400,000 men who enlisted.

Mr. BOWDEN.—Do you think that more than 1,600 men would claim under this provision?

Mr. JAMES PAGE.—I do not think so. The number, in my opinion, would be very small, because most men who have been accustomed to work for wages have, according to my experience, a holy dread of co-operative concerns. The honorable member for Echuca (Mr. Hill) put up a strong case for men who, for instance, might desire to co-operatively work a small saw-milling plant or a contracting plant. Many men, whom I know personally, were general station hands and typical bushmen before they went to the Front, capable of any work in the country. They might not be able to do everything in a cabinet-making manner, but still they were good rough carpenters. They were the sons of pioneers who had gone out into western Queensland and there built their homes, some of which are standing after thirty or forty years. These men returned with distinguished honours won on the field.

Mr. POYNTON.—Would not £250,000 be a great help to such men?

Mr. JAMES PAGE.—No. When I went out back I required no help from

anybody, because I knew that, given health and strength, I could carve my own way. We must remember that the world is not so wide as it was forty years ago—that even Australia is not so wide. But there are golden opportunities. Put me down in Rockhampton with nothing but my swag, and in twelve months I would have a bank balance. There is no country in the world where a working man with no capital to start on can get on as well as he does here. But what does the Repatriation Department do to help the Australian bushmen? No one knows better than does the honorable member for North Sydney (Sir Granville Ryrie) the value of the typical Australian bushman. He knows the initiative he can display, and that the man who has been reared in the bush does not knock off for breakfast, dinner, or tea, but only knocks off when his job is finished. Yet because he was a common, ordinary, general bush labourer before going to the war, he cannot get assistance under this proposal, even to the extent of 5s. All the Repatriation Department can give him is a new swag, a billycan, and dilly-bag, 1 lb. of tea, a few pounds of sugar and flour, a tin of "bullocky's joy," and send him on the road rejoicing, saying, "We have repatriated you in exactly the position you occupied before the war." I know many men who served with the Light Horse under the honorable member for North Sydney. They say that the Australian bushwhacker as a fighting unit on a horse is second to none in the world. Yet these ordinary bushmen, the noblest creation of God, men with initiative, and strong in their beliefs and desires, can get no assistance if they wish to band together and do something for themselves after all they have seen. And, God knows, some of them have seen a lot; they have come back different men. But under this provision we cannot give them twopence, because they have already been repatriated into the position they occupied before they enlisted. Of two brothers who went away, one was killed and the other returned maimed. Two brothers who remained at home have selections alongside the parents' land, but because the brother who has returned from the Front was not a grazing farmer before he enlisted, the Repatriation Department cannot give him a grazing farm. However, the squatters and graziers of the Stanthorpe district have raised money

among themselves, and without the assistance of a single copper from the Commonwealth, have put him into a better position than that of any other man placed on the land by the Repatriation Department. I have said, times out of number, that we cannot do too much for the men who have done so much for us, and I smile when I hear the Acting Treasurer (Sir Joseph Cook) saying that we must look after the taxpayers' money, and that we have to find money for this and money for that. When these chaps were fighting in Palestine or in the mud of Flanders doing their bit, there was no mention of money among them. They did not cavil about money when they were protecting this fair land of ours, making it easy for us to live here, and protecting the interests of the taxpayers. What would have been the position of these taxpayers if Great Britain had gone down in the war? It would have been a case of "There ain't going to be no taxpayers." The interests of the taxpayers would have been guarded by Germans, and a great many young fellows I see on these benches to-day would have been swinging on the nearest trees. I read the books the German officers wrote prior to the war, saying what they proposed to do to the youth of Australia, and they made me shudder, especially during the dark days of April, 1918. The Zeebrugge incident was a flash of consolation. After Villers-Bretonneux I realized that our Australian troops were second to none in the world. To them we owe the liberty we enjoy to-day, and why should we cavil at giving them a few thousand pounds or a few million pounds? They would get all I could give them, or all I could get for them. Anything I can do to improve their lot I am willing to do. I do not propose to study the taxpayers' interests. I shall have regard only for the interests of the returned soldiers, who have made this country easy to live in. Let us give them a little of the benefits of the new world they have made for us. Do not let us be niggardly. Surely we cannot say that the soldiers were niggardly to us? Between 50,000 and 60,000 of them are lying dead for our welfare. Yet here we are cavilling about a few "quid" for them. We ought to make life as easy as possible for those who have returned, and no man has put forward a better proposal for helping them than has the honorable member for

Echuca (Mr. Hill). Bad and all as is the amendment of the honorable member for Capricornia (Mr. Higgs) to the proposal of the honorable member for Echuca, it is preferable to the one now submitted by the Government. Do not let us be humbugs.

Mr. POYNTON.—Does the honorable member really think that our attitude to the returned soldiers is such as to justify our being called humbugs?

Mr. JAMES PAGE.—I was referring to all honorable members. The repatriation of our soldiers up to date is second to none in the world. Australia has done well in this respect; but at the finish do not let us be niggardly. Do not let us say that those who wish to go on to the land can have thousands of pounds and all they require, but those who wish to commence secondary industries should not be entitled to assistance.

Mr. POYNTON.—Does not the honorable member think that there is room for an honest difference of opinion without the accusation being made that we are niggardly?

Mr. JAMES PAGE.—Opinions differ in all cases, even in this respect. I remember the arguments advanced when the first Pensions Bill was under discussion. I do not accuse the Government of being niggardly; they are doing well, and I can quite understand the Acting Treasurer being anxious to look after the finances of the country, but we ought to give the returned men a chance of establishing themselves on a co-operative basis. I have sufficient confidence in Senator Millen to know that he will want to see a good proposition in any scheme brought forward, and if we leave the matter to him, the soldier, the country, and the taxpayer, about whose interests the Acting Treasurer is so anxious, will get a square deal. I ask honorable members to send back to the Senate the amendment moved by the honorable member for Capricornia (Mr. Higgs) to the proposal of the honorable member for Echuca, and if they do not care to agree to it, let them go to the country. Let us have a double dissolution. We have nothing to fear. It would be a case of heads I win, tails you lose. If the Committee is true to itself it cannot accept the Government's back-down on this matter.

Mr. PARKER MOLONEY (Hume) [5.18].—Instead of coming forward with an amendment of this kind, which seeks to convey the idea that the Government are conceding what is asked for in the proposal of the honorable member for Echuca (Mr. Hill), but yet gives nothing, it would have been a decent thing if the Minister in charge of the Bill (Mr. Poynton) had gone back to his original attitude. He told us in the beginning that he could not accept the new clause submitted by the honorable member for Echuca. He said that no Government on earth would accept it. It was on such Socialistic lines that he could not think of accepting it. His present proposal seems to be a case of giving with the one hand and taking back with the other. However, I rise particularly because the Acting Treasurer (Sir Joseph Cook) has given us some figures which prove that I contended, when speaking to the amendment of the honorable member for Echuca, that the amount of money paid by this Government to returned soldiers in the shape of sustenance is £2,000,000. As a matter of fact, the Acting Treasurer amply verifies my figures, and gives the answer which I intended to give to the Minister for Repatriation (Senator Millen) when he challenged my statement. I mention that in passing because it affects the amendment submitted by the Government. Under the proposal which is now before the Committee, provision would be made for only 1,600 men. That is to say, if the total amount of £250,000 to be provided is divided into amounts of £150, only 1,600 men can benefit. That will go a very little way towards satisfying the 18,000 men who, we are told, are out of employment to-day, and are living on sustenance. I should think that the number of men unemployed and drawing sustenance is nearer 20,000. Allow that number £2 per week each, and the weekly bill for sustenance becomes £40,000, equal to about £2,000,000 per annum. The figures given the Committee to-day by the Minister for the Navy substantiate the statement I made a few days ago, and which the Minister for Repatriation was at great pains to challenge.

Sir JOSEPH COOK.—I did not make that statement, and I will not allow the honorable member to thrust it upon me.

Mr. PARKER MOLONEY.—The Minister for the Navy mentioned a sum of £4,700,000, which he said included sustenance payments. I asked him how much of it represented sustenance, and he replied “£2,000,000.”

Mr. POYNTON.—He immediately afterwards withdrew the statement, and said that he did not know what the figure was.

Sir JOSEPH COOK.—I did not make the statement at all. It simply means that if the honorable member for Hume intends to adopt that attitude in debate, no Minister will answer any question he asks. I certainly will not.

Mr. PARKER MOLONEY.—I do not wish to misrepresent the Minister. If he says that he did not mention that amount—

Sir JOSEPH COOK.—I did not mention it in the sense in which the honorable member is using it. I could not give the honorable members precise figures. I told him that I thought that about £2,000,000 had been spent on sustenance. Now the honorable member says that I stated that £2,000,000 was being spent on sustenance.

Mr. PARKER MOLONEY.—The total amount mentioned by the Minister was £4,700,000. Was that the expenditure for the year?

Sir JOSEPH COOK.—Yes.

Mr. PARKER MOLONEY.—I asked how much of it represented sustenance money, and the Minister replied “£2,000,000.” If he now says that he did not mean £2,000,000 for the year, I accept his statement. However, apart from that, the fact that there are from 18,000 to 20,000 men drawing sustenance would account for an annual expenditure of about £2,000,000 per annum, and my statement to that effect a few days ago was sufficiently accurate as to be not worth contradiction by the Minister for Repatriation. The proposal which this Committee adopted at the instance of the honorable member for Echuca (Mr. Hill) in the first place, would have provided an excellent opportunity for many of the men who very often, through no fault of their own, are compelled to draw sustenance from the Department. If they were provided with a chance of engaging in a co-operative business, the Department would be relieved of an expenditure for which it gets no return, whilst the men themselves would be deriving some of the

benefits of that new world for labour which we were told was to come into being after the war. But according to the scheme put forward by the Government there is to be no new world for labour; men are to go back into the old grooves in which they worked before the war. If in the opinion of the Commission applicants for loans under the proposal we are now considering have been satisfactorily re-established in civil life, they will get no assistance to embark on any business venture. Many of the soldiers who have returned to their old employment have all the qualifications necessary to achieve success in saw-milling, boot-making, and other industries. But, according to the terms of the clause suggested by the Government, men who have returned to their former employment will be deemed to be finally repatriated, and ineligible for the benefits of this scheme. There is nothing in this amendment to indicate any honest desire on the part of the Government to redeem their promise to give to the soldiers opportunities commensurate with the great sacrifices they have made for this country during the war. Paragraph *b* of sub-clause 7 provides that no assistance shall be given “unless the applicants satisfy the Commission that they are qualified to carry on that business.” How is the question of qualification to be decided? Are the members of the Commission to be Jacks of all trades, or will they employ a magic wand which will disclose whether a man has qualifications to make a success of a particular business? That paragraph alone is sufficient to unduly limit the assistance to be given to returned soldiers.

Mr. BOWDEN.—We could hardly give it indiscriminately.

Mr. PARKER MOLONEY.—I agree that there must be some discrimination, but I cannot see how this provision will operate. Some members of the Commission may be men without any industrial or technical training. How can they judge upon that question? A man who to-day is earning £3 or £4 at his old employment, may have particular qualifications for conducting a saw-milling business. Under the Government's alternative proposal, he would have no opportunity, because he might not have given any evidence that he had the necessary qualifications. Paragraphs *b* and *d* of

sub-clause 7 impose limitations which destroy the whole scheme, and they are in themselves sufficient to make me vote against the Government proposition. I am quite in accord with those who desire that the consideration of this matter should be postponed, in order that honorable members may have an opportunity to look more closely into it, because the two paragraphs to which I have just referred satisfy me that we should not entertain the scheme as it stands.

Mr. HIGGS (Capricornia) [5.37].—This proposal undoubtedly involves a principle of very great importance. I can well understand that there may be a considerable section of the community who will argue that it is not right to use Commonwealth funds to assist even a returned soldier to start in business in opposition to them. Firms and companies which have been established by individuals who have put into them their own hard-earned savings—

Mr. MATHEWS.—Saved while the soldiers were fighting.

Mr. HIGGS.—Let us put aside for a moment war-time considerations, and deal with this as a peace proposal. How are companies formed? A man discovers what he conceives to be a good business enterprise, and invites others to join with him in putting capital into it. That capital consists either of the money of the men themselves, or money borrowed from a financial institution on the security of capital which people have saved. These men put their money into a saw-milling or boot-manufacturing establishment, or, it may be, into a co-operative society such as that of which the honorable member for Indi (Mr. Robert Cook) is a director. We, in Parliament, now come along with a proposal to use Government funds, in helping returned soldiers, to the extent of £1 for £1, to start in opposition to them. Firms like Messrs. Bedggood and Company, the Marshall Shoe Company, a saw-milling company at Maryborough, or other companies who have been in business for some time, and have built up a big industry despite, in many cases, severe competition, might object to the proposal. Such political economists might reasonably be expected to look at the matter from the point of view which I have just put. I at first saw some reason for opposing this measure on the ground that it was not fair to use Government

money, for which these thrifty people, with others, are responsible, as a means of making advances to other groups of persons to compete with them, and probably to put them out of business.

Mr. RODGERS.—No efficient manufacturing company would worry about an inefficient co-operative enterprise.

Mr. HIGGS.—Is the honorable member right in concluding that the co-operative enterprises of returned soldiers would be inefficient? In some cases they may, and probably will, be inefficient, and a considerable amount of money may be lost. On the other hand, many of them will be efficient. Last night I introduced to the Assistant Minister for Defence (Sir Granville Ryrie) a deputation of four returned soldiers, who did not want money from the Government, but stated that they purposed establishing a co-operative Anzac tweed manufacturing business, and desired permission to obtain from the Government mills every week 300 lbs. of yarn, for which they were willing to pay the highest price for cash. Having seen these men, and heard what they had to say, and having seen the samples of tweeds which they produced, I was quite satisfied that they would not be inefficient.

Mr. RODGERS.—That is not the type of men to whom I referred.

Mr. HIGGS.—But the honorable member did not qualify his remarks.

Mr. RODGERS.—I shall do so.

Mr. HIGGS.—The honorable member said that a successful manufacturing company would not be afraid of inefficient co-operative companies. Many efficient bodies of soldiers drawn from the 250,000 men who have returned will be prepared to put up, either by way of war gratuity bonds or cash, £1 for every £1 advanced by the Government to establish them in co-operative enterprises, and they will prove very effective competitors with those already established in business. While we must all sympathize with those who by their energy, thrift, business capacity, and experience have established businesses in competition with one another, and who object to Government money being expended in starting enterprises in opposition to them, the production of wealth in Australia at the present time is so limited that there is plenty of room for competition. If we many judge from the stories we hear as to the inability to place orders for bricks, cement, tiles, and galvanized iron for the building

trade, there must be ample room for others to set up for themselves. As in the building trade, so in the clothing and other industries.

The Assistant Minister for Defence said last night that it might be found difficult to supply the four returned soldiers with 300 lbs. of yarn each week, because the Commonwealth Woollen Mills were working at their highest pressure to supply the demand for cloth for returned soldiers. The fact that there is such a limited production in Australia is fair reason for this proposal. The Prime Minister (Mr. Hughes) has said, "We want more work and more production of wealth in this country to enable us to bear our interest burdens and to pay our debts." I agree with him. I agree also with the Acting Treasurer (Sir Joseph Cook) that the financial position is extremely serious. The right honorable gentleman took that as his text when dealing with the proposal to make advances on the £1 for £1 basis to returned soldiers to assist them in co-operative enterprises. The country is not going to suffer from advances that are made to such enterprises, because, despite the suggestion of the honorable member for Wannon (Mr. Rodgers), they will be largely reproductive. I agree with the honorable member, however, that there will be cases of inefficient men starting co-operative enterprises, and losing their own as well as the Government's money.

Mr. RODGERS.—There are also legitimate opportunities for returned soldiers to embark on co-operative enterprises.

Mr. HIGGS.—When this scheme has been working for some time, there will probably be the same proportion of failures among returned soldiers that there is at present in the general business community, as shown by the annual bankruptcy records for the Commonwealth. I would remind the Acting Treasurer that what is causing trouble with respect to our finances is that we are advancing—and we have to do so, perhaps—about £36,000 every week by way of sustenance money. Something like £2,000,000 is now being spent each year to maintain returned soldiers who are out of employment. That, as an honorable member interjects, is, largely, a dead loss. The £250,000 proposed to be devoted to this scheme will be put into more or less efficient production of wealth, or its effective distribution, which is the same thing.

Let us contrast this proposed expenditure of £250,000 with the £2,000,000 per annum expended as sustenance money, and which is going to men who deserve it as well as to some who do not. The fact that some who are receiving sustenance should not get it is a phase of repatriation upon which public men do not like to dwell, but the percentage of ne'er-do-wells is exceedingly small.

I should like the Minister in charge of the Bill to agree to the Government proposal being dealt with clause by clause, so that we may have an opportunity to amend it in detail. The honorable gentleman himself has agreed to amend the sub-clause providing for an advance of £150. He says that it is not intended that the total advance made in any case shall be only £150.

Mr. POYNTON.—I am prepared so to amend it that that will be the amount in respect of each original shareholder. We are also prepared to increase the aggregate expenditure for which our alternative scheme provides from £250,000 to £500,000.

Mr. HIGGS.—Then I should like the Minister to ask the Chairman to put *seriatim* in paragraph 7 the Government's alternative clause, which is divided into nine sub-clauses.

Mr. LAZZARINI (Werriwa) [5.50].—The experience that members have had with this Government makes it seem quite natural that an amendment should be proposed to block any scheme for co-operation among returned soldiers. As has been pointed out by the mover of one of the original amendments, the conditions in the new clause now proposed are such that very few returned soldiers would apply for Government assistance on behalf of a co-operative business. The House decided that it would be a good thing to allow the Repatriation Department to advance money for the assistance of co-operative undertakings on the part of returned men, but the honorable member for Capricornia (Mr. Higgs) put his finger on the spot when he suggested that vested interests may consider themselves menaced by this proposal. The daily increase in the cost of the necessities of life has again called the attention of thinking men to the possibility of reducing the cost of living by the extension of co-operative enterprises, and a Government whose every

action has shown that it will support vested interests and monopolies to the death naturally at this juncture makes a proposal which, although camouflaged, has for its object the discouragement of co-operation, fearing, perhaps, that it may go in this young country further than it has gone even in Great Britain, where it has become a danger to vested interests. Here, co-operation might well extend from the secondary to the primary industries, and our returned men should be encouraged in co-operative effort. It has been interjected that private enterprise has nothing to fear from inefficient co-operative enterprise on the part of soldiers. That may be so; but it is not necessary that every member of a co-operative concern shall possess expert knowledge of its business undertakings. Members of a co-operation may be at once employees, or workers, in the business, and shareholders, having their say in the control of affairs, and drawing their part of the profits. But I expected that this Nationalist Government would fight, both here and in another place, to prevent the returned soldier from being repatriated in any better occupation than that which he was following before his enlistment. It is thought by them that if a man was breaking stones before he went away, he should be satisfied to break stones on his return; or, as has been said, that if a man was carrying a swag before he enlisted, he might regard himself as sufficiently repatriated if he were given a swag to carry on his return. The Minister for the Navy (Sir Joseph Cook), as Acting Treasurer, spoke of our financial difficulties; yet, when the war was on, money was as nothing, and could be found for everything. All sorts of promises were made to the soldiers when they went away, and all sorts of difficulties are now being raised to prevent the fulfilment of those promises. When members of the Labour party spoke about expense in connexion with certain issues put before the people they were held up to scorn; but the Nationalist party, now that the soldiers are back, and vested interests are secure again, are not concerned with the welfare of the soldiers. They speak now of pounds, shillings, and pence, and are willing that our returned men shall have to adopt uncongenial

occupations, or occupations detrimental to their health and well-being, notwithstanding their sufferings on the other side of the world. The almighty dollar is again to be set on its pedestal and worshipped, and vested interests are to be protected at any cost.

Mr. RILEY (South Sydney) [5.58].—I should like to see the measure become law, but I am not willing that we should give way to the Senate on the matter that is under discussion. This afternoon the Minister for the Navy, as Acting Treasurer, drew a black picture of the finances of the country, but I would remind him that our financial position to-day is the same as it was when the Government accepted the proposal of the honorable member for Capricornia (Mr. Higgs), and sent it to the Senate, a few days ago. The Government was then prepared to finance co-operative soldier concerns, yet now that the Senate has rejected our proposal, the Minister for the Navy tells us of the millions that are needed for the government of the country. Our financial affairs should be well looked after, seeing that we have the Treasurer (Mr. Watt) now in London, the Minister for the Navy (Sir Joseph Cook) as Acting Treasurer, and the honorable member for Denison, (Mr. Laird Smith) as Assistant Treasurer, to pay regard to them.

Mr. JAMES PAGE.—Let us abolish the Senate.

Mr. RILEY.—I shall not speak on that subject, but I would remind Ministers that the establishment of successful co-operative enterprises by returned men would reduce the expenditure on sustenance, which now costs the country thousands of pounds a week.

Mr. POYNTON.—We shall still have sustenance to pay. Directly a man got out of work, the honorable member would be the first to go to the Department for sustenance.

Mr. RILEY.—I have not gone to the Department for sustenance for any man, recognising that the officials had their hands full. I have not criticised the Repatriation Department. My desire, however, is to get the men off the books of the Department. In Sydney, last week, I saw returned soldiers coming out of the office in droves, after having been registered. If these men can be got to co-operate in the production of wealth, which we are told is what the country

most needs at the present moment, it will reduce our expenditure. Returned men are already bound together by ties of sympathy and association, and may be expected to co-operate in business very effectively. The original proposal sent to the Senate was not moved in any party spirit, but I think that that now put before us by the Government is so hedged round with restrictions and difficulties that returned men could, as easily get an advance from a bank or other institution as from the Repatriation Department. It must not be forgotten that all money advanced will be repaid with interest. Under ordinary circumstances, it may be difficult for co-operative concerns to obtain advances from the banks, and, therefore, the Government should grant assistance to them. If advances are made, the Government will be the first creditor, and will take no risk. When the Minister for the Navy spoke of the expenditure on war service homes, he appeared to forget that the cost of those homes, together with interest, will be repaid to the Treasury, and these repayments will furnish us with a rent roll for many years. Our financial commitments in respect of soldiers' houses, I regard as reproductive, and the money that has been spent will gradually return to the Treasury. This expenditure is one of the best investments that could be made, and it is taking place under what is really a co-operative arrangement. I shall not dwell on the advantages of co-operation, because the subject is worn threadbare, but the Government would be well advised to report progress, so that a conference might be held at which some understanding could be arrived at. I object to the dropping out of the Bill of a scheme for co-operation, in order that a new Bill may be introduced to provide for co-operation. If this Bill is put through without any provision for co-operation, the Government will feel under no obligation to bring in another Bill to provide for it. Therefore, I hope that members generally, and especially those members who represent the soldiers, will insist that the soldiers shall be given a fair deal. There is no need to mention the directions in which co-operation might succeed; but the Minister for the Navy must be aware that a little money put into a co-operative affair will sometimes make men independent within a few years, and the Government will in

Mr. Riley.

any case get back the capital it advances. No loss could be incurred by the Government because they would have first claim upon any industry established in that way.

Mr. POYNTON.—We have had some experience of business propositions in Australia, and the assets, in some cases, have not been worth much.

Mr. RILEY.—I quite agree that there have been failures so far as private businesses are concerned. There have also been failures in co-operative effort, but they do not count, because there is, in other directions, abundant evidence of the success of co-operative movements in this country. I shall vote for the retention of that portion of the Bill which will give our returned soldiers an opportunity to co-operate in industrial enterprises as well as in land matters.

Mr. RODGERS (Wannon) .[6.7].—I am sorry that upon the first occasion we have been asked to make a pronouncement upon the question of co-operation the test has taken the form of an amendment moved by a private member—with the very best of intentions, I admit—instead of a carefully-prepared plan launched by the Government upon well-defined lines. The proposal of the Minister for Home and Territories does not afford honorable members a fair opportunity of making a pronouncement upon the question of co-operation, or upon the lines on which the movement should be established, or the safeguards which should be adopted in the conduct of such enterprises. It seems to me that when we are called upon to consider a business proposition involving the public estate, it should be separated entirely from sympathetic considerations, that it should be upon sound lines, and subject to all those safeguards with which an ordinary business enterprise is surrounded. I notice that manufacturing operations are to form the basis of the financial assistance which is to be granted. Now we know that the cost of manufacturing operations to-day is at its very top. I do not think that the amendment of the honorable member for Echuca (Mr. Hill), which has already been disposed of, sought to limit the assistance to be granted to individual soldiers to £250. The amendment submitted by the honorable member for Capricornia (Mr. Higgs), and with which another place has disagreed, attempted to place the granting of financial

assistance to these men upon a pound for pound basis, without any limitation as to amount. Now the proposal of the Government brings this form of assistance into line with the financial assistance granted to any other beneficiary under the Act—namely, £150—and seeks to limit the trial of co-operation in this country to an expenditure of £250,000. Spread over the whole of our returned soldiers, I must confess that that expenditure upon the establishment of manufactories will afford only a very meagre trial to the co-operative system. The honorable member for Capricornia spoke of the possible objection that established industries might have to the starting of new enterprises by soldier co-operators. My own opinion is that the up-to-date manufacturer will not be very much upset by the opposition of any new co-operative venture established by our soldiers if the Commonwealth expenditure under this heading is restricted to £250,000. The proposal now before us does not give us a fair chance of considering the question of co-operation by our soldiers in secondary industries. I know that there have been complaints by some of our returned men of differential treatment as compared with that accorded to their comrades who enter our primary industries. The latter may obtain up to £2,500 worth of land, in addition to an advance of £625, to enable them to secure a home and purchase implements, stock, &c. When this fact is borne in mind, the assistance proposed to be granted to soldiers who are willing to engage in our secondary industries appears to be of a very negligible character. The Minister has told us that the financial assistance given to business enterprises by State Governments has produced very unsatisfactory results, and that a very big percentage of those who have received such assistance have failed. Now we have put before us a new proposal, and one which involves the settlement of our returned soldiers in our secondary industries. I do not think that a sum of £250,000 is sufficient for that purpose.

Mr. POYNTON.—Suppose that we increase the amount to £500,000. The honorable member will then have a chance of reconsidering the matter later on.

Mr. RODGERS.—That would be a much more substantial sum. I wish to put before the Committee what I regard as the essentials to success in co-operation. I recognise the safeguards which it is sought to establish in what is necessarily a hurriedly drawn proposal on the part of the Government, and I also recognise the value of affinity amongst individuals, particularly in connexion with our primary industries. Take, for example, the dairying industry, which came to the rescue of this State about a quarter of a century ago, when its finances were in a very unsatisfactory condition. At that time a great revival took place in the dairying industry, and the co-operative system was adopted for the purpose of producing a standard article, eliminating all the expense possible, and marketing that article under the best possible conditions. That was an illustration of co-operation in which all the co-operators had something definitely in common. In the first place they had a knowledge of their industry, and in the second they had the capital and plant which were essential to enable them to work in that industry. But it is a much more difficult proposition to establish co-operative enterprises in which anybody may take shares and set up as co-operators—enterprises, too, in which it is essential that only highly skilled men should be employed. To-day efficiency is the dominant feature in connexion with our secondary industries.

The TEMPORARY CHAIRMAN (Mr. Atkinson).—Order! This is a very interesting dissertation on co-operation, but I scarcely see that it is relevant to the question before the Chair.

Mr. RODGERS.—There is no member of this Committee to whose ruling I would rather defer than to yours, sir; but I claim a little more latitude to enable me to complete my argument. I ask the honorable member for Echuca and his associates in the Country party not to ignore the danger that would result from encouraging a number of young men who may have very little in common to forsake rural industries and come together as co-operators in any manufacturing industry, unless they can absolutely assure them that by so doing they will achieve better results. I know that the Minister for Repatriation has stated that, in our secondary industries, there are men who

are earning good rewards for their labour. I know, too, that, by 30th June next, we shall have settled upon the land in Victoria alone 6,350 returned soldiers, a majority of whom were rural workers, notwithstanding that to-day the greatest difficulty experienced in country districts is to obtain such workers. We have, further, expended the sum of £6,000,000 in this State upon the purchase of land for soldier settlement. The establishment of returned soldiers in our secondary industries upon a co-operative basis will only tend to accentuate that difficulty. However, that is not a sufficient reason for denying them their chance in life. They have earned it, and this country has generously acknowledged its debt to them. This proposal, unless carefully guarded, may lead to all kinds of wild-cat schemes. We are all familiar with the glowing pictures which company promoters can paint, and he will indeed be a pretty astute Minister who will be able to shatter such pictures. I would like to see the Minister who, upon the eve of a general election, would stand up for the public estate by denying applicants this particular form of assistance. Of course, there is one safeguard in the proposal submitted, namely, that which limits the amount which may be advanced. The present inroads on the public purse are sufficient to rivet the attention, not only of honorable members, but of the whole community; and I do not think that the country is awake to what is ahead, though a forced loan of some £30,000,000 will probably make people take notice. A proposal of this kind in regard to secondary industries is altogether different from a proposal for the establishment of homes, either in the country or in the town.

Dr. EARLE PAGE.—The States are doing more for civilians in the latter respect than for soldiers.

Mr. RODGERS.—I do not think they are. I do not think we could possibly have more generous provision than is being made for the establishment of soldiers' homes either in the country or in the suburban areas; no better provision has been made elsewhere in the world.

Dr. EARLE PAGE.—What about Queensland before the war?

Mr. RODGERS.—In Queensland the public estate consists of leasehold lands

not yet alienated, and it is an easy matter to make what appears a munificent gift; but when we come to deal with private lands, the circumstances are different. I have grave misgivings with regard to the success of the proposed co-operation in secondary industries. High technical skill, efficiency, up-to-date plant, and sufficient capital are all necessary factors, and these would be very difficult to obtain. If these co-operative proposals are adopted, they will commit the Government to more than appears in the Bill. If the amount be increased to £500,000, the Minister in charge will have to "follow his money," because money cannot be advanced for industries, and the industries allowed to collapse; and it may be necessary to advance still more, or lose all. This is a hazardous undertaking for any Government, and one that does not appeal to me.

Mr. HILL.—Do you not think that land settlement is somewhat hazardous?

Mr. RODGERS.—It has its hazardous side. The maps and plans of the country, from the days of the earliest settlement, tell a doleful history, for many good men have fallen in their attempts to subdue the land. But in all business the proportion of successes is, after all, small, and the proposal before us would, as I say, be hazardous for the Government in connexion with either primary or secondary industries. When I have learnt the fate of the proposal before us, I shall probably move an amendment to the effect that where the Government is satisfied of the *bona fides* and the prospects of success of an enterprise, the money for the gratuity bonds be found, even if to the total amount, for the purpose; and the money used will then be the money of the soldiers. I take it that if the £26,000,000 or £28,000,000 were paid to the men in the form now adopted, it would become the spending money of the country, and not find its way into any essential industries; further, it would go into the hands of those least accustomed to spend money to the best advantage. No doubt some of the men could spend it wisely, but, for the most part, they are young, immature men, without business experience. I commend the suggestion I have made to the Government.

Sitting suspended from 6.27 to 8 p.m.

Mr. JOWETT (Grampians) [8.0].—I move—

That the motion be amended by leaving out of the proposed new clause the words "one pound for each pound contributed by them," with a view to insert in lieu thereof the words "two pounds on the part of the Commission for each pound contributed by each Australian soldier."

The alternative clause proposed by the Government supports the principle contained in the original amendment of the honorable member for Capricornia (Mr. Higgs), wherein he set down a basis of assistance, namely, £1 for £1. The original limit of assistance, namely, £150, meant that each soldier would have to contribute £150 also. My amendment provides that for every sum of £150 loaned by the Government the soldier so benefited will be required to contribute only £75. The effect will be to considerably broaden the scope of the measure. Very many soldiers could find £75 who could not finance themselves to the extent of £150. My proposal is free from the suggestion of reckless financial extravagance, and will not increase the financial responsibilities of the Government. The individual limit will still remain at £150. The total commitments of the Government will not be increased. I regret that the Minister (Mr. Poynton) could not see his way clear to accept my suggestion earlier in the day that, following upon his presentation of the long and involved new clause, progress should be reported. It is not fair to ask honorable members to accept without study a proposition of this nature. Personally, I was constrained to absent myself from the chamber during the course of important debate, so that I might consider the matter in quiet.

Mr. POYNTON (Grey—Minister for Home and Territories) [8.10].—I think the honorable member could have presented his amendment in considerably simpler form if he had moved to leave out the words "one pound," with a view to insert in their stead "two pounds." However, by offering such a suggestion I do not imply that the Government intends to accept the honorable member's amendment. It is true that, if it is agreed to, it will not increase the liability of the Government in regard to the amounts to be furnished soldier appli-

cants; but the honorable member apparently overlooks that the basis of £2 for £1 would reduce the Government's security by 50 per cent. The considerable risk attaching to the proposition generally has furnished probably the chief objection of the Government to the introduction of the original principle.

Mr. JOWETT.—Still, the risk would be a good one.

Mr. POYNTON.—I do not think it would be. The Government cannot accept the amendment. I wish to suggest the most acceptable procedure in taking a test vote at this stage. Unless the division be limited to the amendment of the honorable member for Grampians (Mr. Jowett), or to the specific portion of the new clause on which his amendment is proposed, the effect may be that opportunity to subsequently amend the new clause will have been forfeited. I myself have one or two amendments to propose. It is desired to make it absolutely clear that a maximum of £150 may be furnished to each individual soldier, and the Government propose to provide that the aggregate amount of loans shall be £500,000, instead of £250,000. I also propose to amend paragraph *d* of sub-clause 7. This provision prevents the granting of loans if, in the opinion of the Commission, the applicants have been satisfactorily established in civil life. I propose to amend it to read as follows:—

If, in the opinion of the Commission, the applicants have been reasonably and satisfactorily assisted to re-establish themselves in civil life.

In many cases men have had considerable assistance from the Repatriation Department to re-establish themselves in civil life, and surely they ought not to be given assistance again under this scheme.

Mr. MAHONY.—The Department take the view that if they give a man pick and shovel work they are finished with him.

Mr. POYNTON.—If they do so we shall hear about it. I have indicated the amendments I propose, and also the fact that the Government cannot accept the amendment of the honorable member for Grampians.

Dr. EARLE PAGE (Cowper) [8.17].—I differ from the Minister (Mr. Poynton) when he states that the proposal of the

honorable member for Grampians will increase the Government's liability by 50 per cent.

Mr. POYNTON.—I said it will reduce the Government's security by 50 per cent.

Dr. EARLE PAGE.—In one case the Government would be advancing 50 per cent., and in another case 66 $\frac{2}{3}$ per cent., or 16 $\frac{2}{3}$ per cent. more than originally proposed, and every one knows that among bankers a two-thirds security is regarded as ample in a properly-conducted business. I am pleased that the Minister has prefaced this discussion by stating that he is not willing to accept the amendment moved by the honorable member for Grampians (Mr. Jowett), because it is a happy augury. Almost invariably we find that there is a *volte face*, and that the Committee is usually willing to go further than the Minister intends to go.

Mr. POYNTON.—This will be an exception to the rule.

Dr. EARLE PAGE.—I trust that in this case the experience we have had in the past will be repeated. The Government do not seem to have known their own minds on this question, which has been a game of battledore and shuttlecock between the two Houses for over two weeks. We have had divisions on non-party lines here to some extent, but in another place the party whip seems to have cracked, and, as a consequence, our proposal is now before us in a mangled form. The debate to-day would not have been so extended if honorable members had been allowed ample time to consider the proposal brought forward by the Government this afternoon. In common with the honorable member for Grampians, I was compelled to retire from the chamber in order to consider it in quieter surroundings, but when we examined it we found that its provisions were almost wholly those which had been discussed at length in the chamber, and had been advocated by honorable members sitting in this corner. We found that we were in perfect agreement with the proposal except as regards the amount of money to be advanced, and the classes of soldiers to be assisted. On this occasion there is no need to debate the general question of co-operation, but as we are wedded to the principle we ought to insist on its finding a place in this Bill. However, we are discussing co-operation among men who have the spirit of camaraderie well developed, and who

have proved, even when they are not officered by men senior in rank, and are left to their own resources, that they conduct themselves with the greatest order and to general satisfaction. We ought to look with a conciliatory eye on this proposition, and be prepared to give it more favorable consideration than if it were one applying to civilians. Early in the debate on this matter we were told that the amount at which the Government would be involved would be anything from £40,000,000 to £100,000,000, but we find now that the amount has been reduced to £500,000, and there is not a great deal of difference between this amount and the small sum which the honorable member for Echuca (Mr. Hill) indicated would be required when he was setting forth his proposal. I am afraid that if we adhere to the £1 for £1 basis a large number of men whose gratuities would not amount to £100 each will be shut out. It is not expecting too much of honorable members to ask them to take a sporting risk when dealing with soldiers. We have heard a great deal about the millions spent on repatriation, and the honorable member for Wannon (Mr. Rodgers) has told us about the enormous improvements that have accrued from that expenditure, but many millions have been spent on land settlement under conditions which are not very much more liberal than those which were in vogue for civilians before and during the war, and which still apply to them. It has always been possible in New South Wales for two or three men who see a property they like to agree among themselves and the owner as to its value, and having done so, to get the Government to resume it, so that they may cut it up into small blocks, the Government finding 96 per cent. of the total outlay. In Queensland, also, the State will advance up to 75 per cent. for the purchase of homes, whereas the War Service Homes Act only goes a little further. But surely men who have been away for four or five years at the threshold of their manhood, and who have had to give up their careers and the possibilities of making money that the man who stayed behind had, deserve a little more consideration in the matter of getting homes than those who did not go away. I admit that there has been a

large amount of money paid away in sustenance, and that a great deal of work has been done in the matter of repatriation, particularly by the Local Committees, but there are hundreds of men who cannot get assistance because they had no proper calling or business before they enlisted. Under the present proposal they will now have an opportunity of establishing themselves in businesses with reasonable assistance from the Government. Otherwise they will not be able to do so. The honorable member for Dampier (Mr. Gregory) has alluded to the need for a scheme similar to this, or perhaps an amendment of the regulations under the Repatriation Act to enable men who were not in a position to complete their training in any calling to set up in new businesses. At present there is no such provision. A case in point is that of two brothers who went to the war. One was a tobacconist, the other assisted in the shop. The elder brother was killed, and the younger would now like to get possession of the business his brother carried on, and which must be carried on, because the building has no value except from the fact that it is a tobacconist's shop. However, as the business did not actually belong to him, he can get no assistance from the Repatriation Department. Five or six men may be anxious to establish themselves in a tannery or in a saw-mill, but they cannot get assistance by reason of the fact that they have had no previous record of business. I think that in this case the Commonwealth should act as their banker. That is all the amendment asks, and surely it is not asking too much to amend this proposal in order to make it sufficiently generous to the men, to whom it will be really valuable.

Mr. MARR (Parkes) [8.30].—I intend to vote against the amendment moved by the honorable member for Grampians (Mr. Jowett) because, by increasing the amount to be subscribed by the Government from £1 to £2 for every £1 contributed by the soldier, we will be decreasing the number of participants. A certain amount is to be allotted, and, although the Government intend increasing the amount, the number of men to benefit must naturally be reduced. If the Government increase the maximum amount from £250,000 to £500,000, and subsidize the soldiers' payments £1 for

£1, 3,200 men would benefit, but by increasing the Government subsidy from £1 to £2 for each £1 contributed by the soldier, only 1,600 will be able to participate.

In considering this measure from the stand-point of a returned soldier, I cannot conceive of anything that can be more correctly characterized a "wild-cat" scheme than the one embodied in the amendment. There is no one in this chamber who has the interests of the returned soldiers more at heart than I have, and I am prepared to concede that honorable members on the Opposition benches are also their supporters. But we have to recognise that they are their friends now because the war is over, and, though they are espousing their cause to-day, they kept their mouths tightly closed when the conflict was in progress, and never said one word to induce others to go forward and assist in the fight. It is all very well for members of the Country party to say that we should assist the returned soldiers by establishing them in co-operative concerns, and if we had the money I would be in favour of giving them all we reasonably could. But can we, as members of the National Parliament and custodians of the public purse, honestly and conscientiously support this proposal when we have a national debt of approximately £740,000,000, and an additional debt of £90,000,000 to be met this year? Honorable members must not overlook the fact that we owe Great Britain £90,000,000, and that our interest bill for the next year will be £9,000,000 more. Who is going to pay it?

Mr. FENTON.—The returned soldier will assist if you give him a chance.

Mr. MARR.—He will, of course, take his share with other members of the community.

Mr. MAHONY.—If the war had lasted for another six months, who would have found the money?

Mr. MARR.—We would all have contributed.

Mr. MAHONY.—Then why cannot we pass this?

Mr. MARR.—That is no reason why we should saddle the country with greater financial responsibilities than we have at present. If we had the money available to finance such a proposition, I would be one of its keenest supporters. If I, as a returned soldier, thought I could organize a co-operative concern that would have

the advantages that the honorable member for Grampians predicts, I would be the first to do so. I have been elected as a member of this Chamber, not merely to represent my own views, but the opinions of those who sent me here. I believe that most honorable members have the interest of their country at heart, and if they have they must admit that we should not saddle the community with additional financial obligations. Every one who has been to the war in any capacity has become more or less unsettled.

Dr. EARLE PAGE.—Speak for yourself.

Mr. MARR.—Well, I am unsettled, and every one admits that returned soldiers, although better men physically and much improved as a result of their experiences abroad, are more or less unsettled in business. By adopting this proposal we will be causing dissatisfaction and discontent in the minds of many, because men who are now fairly well placed will say, "This is a good thing, and I am on it."

Mr. WEST.—Why should they not do so?

Mr. MARR.—Does the honorable member realize that of the 300,000 who went abroad, only 1,600 would be able to participate if the amendment is carried? It is an unfair proposition to a majority of the men, and if we concede the point to some we must concede it to all. Many statements have been made concerning the promises that were made to the soldiers before they embarked, but is there an honorable member prepared to say that the soldiers went to fight for what they were promised? I hope I am in a position to express the views of the soldiers, and in doing so I can say that we went abroad with higher motives than securing benefits on our return. The men who returned bodily and mentally strong are the fortunate ones; and I am loath to believe that honorable members would say that I went away because I knew that I would receive a war gratuity. A definite statement has been made that men left Australia because they were promised certain concessions on their return. That is an insult to the soldiers of Australia. We did not go to fight because we would receive a gratuity or benefits under the repatriation scheme. Considering the attention returned soldiers are receiving, I

think it can be said that the Government have acted most magnanimously. There is not a member of this Chamber who can prove that co-operative concerns where the shareholders were the employees have ever been a success.

Mr. MAHONY.—One of the largest concerns in England is successfully conducted on that basis.

Mr. MARR.—The honorable member did not give particulars to the House. I have had experience in connexion with co-operative concerns, and I know of one in Sydney where a man who had been in business for forty years handed over the concern to four of his employees, who failed after two years' work, because they could not decide as to who was to be the master. If a co-operative concern were to be established by ten members of this Chamber, would they be satisfied with an equal division of the profits? I do not think so. A business to be successfully conducted must have a manager, and that is usually where the difficulty arises.

Mr. LAZZARINI.—If what the honorable member is saying is true there is not much hope for the returned soldiers' co-operative concern to be established in South Australia.

Mr. MARR.—If the honorable member can prove to my satisfaction that such undertakings are likely to be successful they will have my support. If we are to have co-operative undertakings, let them be conducted with the capital provided by those who are to participate in the profits.

When the War Gratuity Bill was before this House the Government conceded the point that any men desiring to start a co-operative business who proved to the satisfaction of the Commissioners and the Minister that the business was likely to be successful could have their bonds cashed, and that should be sufficient. If, for example, a dozen men were to contribute £100 each, an amount of £1,200 would be available to start a business. Personally I believe that we have arrived at the point when we are leaning too much on Government support; and the country that depends on the nationalization of its industries is on the downward path. When once we endeavour to dispense with private enterprise and competition we are courting failure. It would have been

better if the Government had dropped this proposal altogether and passed the Bill so that returned soldiers, particularly the blind and maimed, would have been in a position to receive the extra benefits so urgently needed. If that were done the Government could then introduce a separate measure embodying the principle under discussion, and thus enable us to have a more lengthy and profitable debate on the whole question. After the consideration this question has received I trust honorable members will, in their wisdom, vote against the amendment moved by the honorable member for Grampians, because in view of our financial position I do not see how we can support it.

MR. ROBERT COOK (Indi) [8.43].—I would not have spoken if the last speaker had not accused the returned soldiers of being men lacking in stability and determination. He also opposed the principle of co-operation. Originally the House agreed to accept this proposal, but since it was first sent to another place it has been amended to such an extent that we do not know where we are. In the earlier part of the debate reference was made to industrial unrest, which, it was stated, has increased. Why has it increased? We know the profiteer has been going on unchecked, and although we have the War Precautions Act on our statute-book its provisions have been used only to serve a particular cause. I am going to support the amendment moved by the honorable member for Grampians. I hope that the Committee will give to it the support to which it is justly entitled. According to a booklet issued by the Minister for Repatriation (Senator Millen), there are engaged in vocational training 5,000 returned soldiers in New South Wales, 4,000 in Victoria, 2,000 in Queensland, 1,000 in South Australia, 1,000 in Western Australia, and 500 in Tasmania. The Department is paying them sustenance as well as training them. Their work is a distinct credit to the Government, and the quality of their output is marvellous. I saw one man who had been only four months at a trade turning out work equal in quality to that of apprentices who have been two or three years at it. Amongst these returned soldiers are some of the finest men in the Commonwealth; indeed, they have been said

by our own Generals to be amongst the finest men in the world. Yet Government supporters doubt those men, and predict for them nothing but failure. They did wonders at Gallipoli and elsewhere, but now they are told that they cannot possibly do anything for themselves. The reason for this attitude on the part of the Government is their desire to please the Trusts and Combines. It would appear that the Government hold a brief for the Combines in this country.

Sir JOSEPH COOK.—The honorable member has no right to say such a thing.

Mr. ROBERT COOK.—I have a perfect right to do so. The way in which this proposal has been opposed is an absolute disgrace and a scandal. In connexion with the war there was a great deal of lip loyalty. Motor cars decorated with flags met the returning soldiers—

The TEMPORARY CHAIRMAN (Mr. Atkinson).—Order! The honorable member must confine his remarks to the question before the Chair.

Mr. ROBERT COOK.—We should endeavour to give in some practical form the reasonable assistance which we promised to the soldiers. I agree with the honorable member for Parkes (Mr. Marr) that they do not look for it; probably they do not expect it, but we promised it, and it is our duty to honour that promise to the fullest degree. I listened to the Acting Treasurer (Sir Joseph Cook) explaining the financial situation; his speech was loaded with common sense. But I believe that the majority of honorable members will nevertheless vote to build a bush capital at a cost of £3,500,000. And we are told that the foundation stone of the Capitol is to be laid by the Prince of Wales. Surely, if we have money to squander in this way, we can find a few pounds with which to start additional industries. The reason for so much opposition to this co-operative scheme is that if the soldiers are given a chance they will achieve successes that will be too great to please quite a number of companies in Victoria. This scheme will be one means of minimizing industrial unrest and of peacefully establishing a number of industries. If, having been given a chance, they fail, it will give to honorable members the argument that the profiteers have not been making so much money as is generally supposed. I intend

to support the amendment moved by the honorable member for Grampians (Mr. Jowett), and I trust that it will receive the support of the Committee. The State Government of Victoria is already giving assistance on the £2 to £1 basis, and in one instance is advancing the whole of the money required for the establishment of freezing works. If assistance is given to the soldiers on the £1 for £1 basis, with the safeguards that have been provided, there will be no wild-cat schemes, or, if there are, the fault will lie with the Minister and the Commission. All that they will require to do in administering this proposal will be to proceed carefully. I have no intention of harassing the Government, but I desire fair play, and I am convinced that if this scheme is given a reasonable test it will prove highly successful.

Mr. RICHARD FOSTER (Wakefield) [8.51].—If I thought that a fair percentage of the men who will benefit by this proposal would be successful, I would support the Country party with all my heart, but I have reasons for believing that they will not. Co-operative effort is not new by any means.

Dr. EARLE PAGE.—That question is not at issue.

Mr. RICHARD FOSTER.—It is at issue. The history of the co-operative movement in this country during the last forty or fifty years—

The **TEMPORARY CHAIRMAN** (Mr. Atkinson).—The question of co-operation is not before the Chair.

Mr. RICHARD FOSTER.—With all due deference to you, sir, the question of co-operation is absolutely involved in this proposal.

The **TEMPORARY CHAIRMAN**.—The honorable member must confine his remarks to the amendment moved by the honorable member for Grampians.

Mr. RICHARD FOSTER.—The amendment is to increase the liabilities of the Government by instructing them to advance money at the rate of £2 for every £1 advanced by the soldiers, instead of on a £1 for £1 basis, in connexion with co-operative projects. I maintain that I am perfectly in order.

The **TEMPORARY CHAIRMAN**.—The honorable member may refer to co-operation in order to illustrate his argument, but his remarks must be directed

to the amendment which is before the Committee.

Mr. RICHARD FOSTER.—My argument has a distinct bearing on the Government's liability in assisting co-operation by returned soldiers. The prizes won from co-operative efforts under infinitely more favorable conditions have been few indeed. This proposal implies co-operation in connexion with small concerns; the limitation placed upon the amount precludes assistance to any big project. The day of small businesses is past. Honorable members know that thousands of small business men have been ruined during the last ten years.

Mr. HECTOR LAMOND.—They are greater slaves than the wage-earners.

Mr. RICHARD FOSTER.—Infinitely, because the wage-earners are not slaves at all. The policy of honorable members opposite has been chiefly responsible for the killing of the small business men. To-day the conditions are such that it is almost impossible for small concerns to live.

Mr. GABB.—The big concerns support the honorable member's party, and run it.

Mr. RICHARD FOSTER.—At any rate I do not support a large number of them. I ask the Government to stand fast on the £1 for £1 proposition. Even that will not be good business, for it will not be safe. I indorse the remarks of the honorable member for Parkes (Mr. Marr). This is nothing less than a "wild-cat" scheme, and honorable members will realize that before long. The Government have got off the right track. I desire to restrict them to a minimum of liability in connexion with this reckless venture. I would like to see the whole scheme rejected; it would be in the general interests of returned soldiers if that were done. I indorse what was said by the Acting Treasurer (Sir Joseph Cook) in regard to the liabilities of this country. Honorable members ought to realize that we are getting right up to the limit of our resources, and that if we do not have continued good seasons for the next three or four years, we shall exceed the limit. I ask the Committee to consider the financial position of the country, and not to support ventures of this kind, because the successes in the past do not justify the confidence which

some honorable members have in co-operative schemes. It is the duty of the Government not to give advances to soldiers on the basis of £2 for £1.

Mr. HILL.—The general amount involved is only equal to four 6d. drinks per head of the population.

Mr. RICHARD FOSTER.—What has that to do with the question? This scheme will create a spirit of unrest amongst returned soldiers, and will give the Department worries that I should not like it to be called upon to bear. In regard to the Senate's attitude upon this question, Why is another place practically unanimous in its attitude? Because the Minister for Repatriation (Senator Millen), with whom its members are associated day by day, knows too well of scores and hundreds of experiments in connexion with repatriation up to date, and knows the result of them. That Minister has been extolled over and over again by honorable members here ever since this Parliament opened, and when he gives the benefit of his experience we ought to listen to it.

Dr. EARLE PAGE.—These are their proposals.

Mr. RICHARD FOSTER.—I cannot believe that they are the proposals of Senator Millen. They are Government proposals, to minimize what is a wretched thing.

Mr. PROWSE (Swan) [9.1].—We have been sparring for some time on this proposal in its varied forms. It was originally submitted to this Chamber by the honorable member for Echuca (Mr. Hill), and the Committee recognised that a certain principle was involved in it. Another place turned it down. We submitted a further amendment, and this another place has also rejected. In all that this Committee has passed, it has recognised a principle. I had some sympathy with the turning down of the first proposal that went forward, on the ground that if a certain amount was granted to returned soldiers in the fashion then suggested, many of them, without much good intention, could say, "We will give it a fly; it will cost us nothing." The amendment now proposed will, first, of all, reduce the number of applicants, and, secondly, will give security to the Government. When a returned man comes along with his 10s. to the Government's

£1 he shows an earnest intention to do something for himself. That is the security which the Government will have. I do not think that the trouble of the Department will be so great when the soldier will be under an obligation to present so much money on his own account before he starts. The Committee and another place will be perfectly safe in accepting the amendment as now submitted. These men should get a chance. I hope it will be clearly understood that those who have gone back into their businesses or offices are not to take the passing of this proposal as an intimation that there are other fields open to them. Many of our worthy soldiers have not had a distinct chance. Some men are not capable of managing a business of their own, and would be the first to admit it. They like to get a weekly wage or salary, but there are others who desire to embark in enterprises and get a start in life. I certainly admire them for that, and think we should give them that chance, which will involve a very small amount of money compared with what we are finding for soldiers who desire to embark on other avocations, such as taking up land. For these reasons I propose to support the amendment moved by the Deputy Leader of the Country party (Mr. Jowett). I am as conscious as any other member of the gravity of the financial position of Australia, but I feel that this will not be money wasted. It will be sent into avenues of business and production, to which we must look more than anything else in order to produce further money to meet our financial obligations.

Mr. BELL (Darwin) [9.6].—I must differ from the honorable member for Parkes (Mr. Marr) in the reasons he gives for not supporting the amendment. One is that it will limit the number of soldiers who will participate in the benefits accruing from the principle of co-operation. He said it was only a simple proportion sum, but I cannot work it out to the same conclusion as he does. If the amount that will be advanced to each individual soldier remains at £150, as it does in the amendment proposed by the honorable member for Grampians (Mr. Jowett), and the soldier is to advance only £75, then the liabilities of the Government will be no greater, and the same number of soldiers will participate.

Mr. HECTOR LAMOND.—The chances of success will be much less. It is a more wild-cat scheme than it was before.

Mr. BELL.—That is another question, which I am not arguing at present. I take serious exception, also, to what was said by the honorable member for Indi (Mr. Robert Cook). He accused the party behind the Government of not supporting the principle of co-operation—

Mr. ROBERT COOK.—Of not supporting the soldier.

Mr. BELL.—That is much worse; but, as a soldier myself, I shall not answer that accusation, because we, as returned soldiers, have had a lot of funny things hurled across the floor at us during this debate. It is evidently parliamentary to say funny things about your opponents, perhaps to irritate them or to make them change their minds. Although I am a young politician, I am not young in the ways of the world, and I am not likely to be even irritated by some of the remarks that have been made to-day about the attitude of the soldier members on this side of the Chamber towards the returned soldiers. I am certain that the soldiers whom we represent understand our attitude perfectly, and have full confidence in the representation we will give them. But the statement of the honorable member for Indi, that members behind the Government were not supporting this scheme of co-operation because they support the profiteer and the Combines, is unfair to the House. The Committee has already affirmed its approval of the principle of co-operation, and of extending it to the returned soldier, by voting twice for this proposal. Is it fair, then, to say that Government supporters are opposing it because they represent the profiteer and the Combines? The object of bringing down this amendment is to place the proposal in such a form as will be acceptable to another place. That point has been lost sight of by some honorable members who have spoken to-day. The proposal has been twice sent to another place and rejected. Would it not be a further waste of time to amend it only to such an extent that it will be practically certain of another rejection? I do not intend to support the amendment now before the Chamber for that reason only. I have as much confidence in the returned soldier as any

member of the Committee. A great many statements have been made in commending the soldier for his business capabilities, while others have said that, even if the soldier is a better man physically for his war experience, he has become unsettled by it, and is therefore unlikely to handle business schemes as sensibly as he would have done before the war. I disagree with that statement, and regard the argument as futile. I should like to see the proposal as it is now before the Committee carried, with the one amendment proposed by the Minister for Home and Territories (Mr. Poynton). If it is accepted here in that form, I am sure it will be confirmed in another place. We shall then be able to get rid of the Repatriation Bill—none too soon, because the soldiers in general are waiting anxiously to see it become law. They do not want to read in the papers every day that we are still discussing it, and coming to no finality.

Mr. GABB (Angas) [9.11].—I shall support the amendment moved by the honorable member for Grampians (Mr. Jowett), because we should show the returned soldiers, as far as we can, that we have confidence in them, and this is one sure way of doing it. The honorable member for Parkes (Mr. Marr) claimed it as a fact, although it is not a fact, that there were no successful co-operative societies anywhere in which the employees were shareholders. Any one who understands what co-operation means knows that that is not correct. The greatest co-operative concern in Great Britain is one in which the employees are shareholders, and it is distinctly successful.

Mr. MARR.—I said where the whole of the shareholders were employees.

Mr. GABB.—I am referring to companies in which a big part of the shareholders are employees. The honorable member assumes that, because he does not know of any instance of a co-operative society where the major part of the shareholders are employees being a success, it necessarily follows that where a number of returned soldiers enter into a co-operative concern, and are employees, it must be a failure also. If that is his inference, it shows a lack of faith in the returned soldier, which should not be shown by any one who knows them so

well as the honorable member must know them. It seems to me, both from the appeal made by the Acting Treasurer (Sir Joseph Cook), and from much that has been said here to-day, that the opinion is abroad that the returned soldiers are bound to make a mess of this business. Why so? Why is £250,000 advanced by the Government to be thrown into the sea because it goes to returned soldiers who desire to establish co-operative concerns? We should take the opposite stand. We should have faith in these men. They were good enough for us when they were overseas in time of war, and we should have faith that they will be good enough for us in time of peace. Instead of regarding this proposed expenditure of £500,000 as money to be thrown into the sea, we should look upon it as an expenditure that will be reproductive, and likely to enable us in some small measure to increase our production as we desire to do. It seems to me that this opposition to the granting of monetary assistance to returned soldiers anxious to embark upon co-operative enterprises is due to the ingrained conservative instinct of some of our honorable friends opposite. Any proposal that seems likely to clash with individual effort is sure to be opposed by them. Much of their opposition is doubtless due to the fear that the success here and there of co-operative enterprises on the part of returned soldiers will lead to the spread of the principle. The principle, however, will spread despite their efforts, and will be one of the main forces making for better living conditions, and relieving the pressure of our social system. It has been said by honorable members opposite that the Labour party are looking after the returned soldiers now that the war is over.

The **TEMPORARY CHAIRMAN** (Mr. Atkinson).—The honorable member will not be in order in pursuing that line or argument.

Mr. GABB.—It is remarkable that such an argument is permissible from one side, but is out of order when it is taken up by an honorable member on this side. The Labour party has the interests of returned soldiers at heart. We are showing that we have their interests at heart in regard to this as well as many other matters. If it were true, as the honorable member for Parkes has declared—

and I certainly do not admit it—that we did not have the welfare of the soldiers at heart during the war, then a mere sense of gratitude should lead us now to do our best for them. They will want our assistance. The Acting Treasurer has uttered a wail to-day in regard to this expenditure, and as time passes our returned men will be more and more in need of assistance from us. I can see the dawn of the day when they will recognise that we have shown ourselves to be their true friends by placing full confidence in them, and fighting to give them an opportunity to settle themselves so that they may become as successful in peace as they have been in war.

Mr. RODGERS (Wannon) [9.19].—If this were the only proposal for the benefit of returned soldiers that had emanated from this Chamber, then the proposition submitted to the Government, as well as that put forward by the honorable member for Grampians (Mr. Jowett), would be indeed very meagre. But, as the honorable member for Parkes (Mr. Marr) said, in effect, in his very manly statement, the Government have just passed a Bill providing for returned soldiers a gratuity involving from £26,000,000 to £28,000,000. The honorable member asked that they should be given an opportunity to use their own money in effective co-operation amongst themselves. If the life they have led has created in them the true spirit of co-operation—if the spirit is there—I dare say they will muster into groups to carry on industries. I should like, even at this late hour, to ask the Government—if they are seriously thinking of giving a national stimulus to co-operation—to reconsider the whole question of cashing the war gratuity on a co-operative basis, thereby helping the returned soldiers to enter into co-operative enterprises with their own money. That would be in accordance with the true principle of co-operation.

Question—That the words proposed to be omitted (Mr. Jowett's amendment) stand part of the proposed alternative amendment—put. The Committee divided:

Ayes	28
Noes	26

Majority	2
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AYES.

Bamford, F. W.	Kerby, E. T. J.
Bayley, J. G.	Lamond, Hector
Bell, G. J.	Lister, J. H.
Bowden, E. K.	Livingston, J.
Bruce, S. M.	Mackay, G. H.
Cameron, D. C.	Marks, W. M.
Cook, Sir Joseph	Marr, C. W. C.
Corser, E. B. C.	Poynton, A.
Foster, Richard	Rodgers, A. S.
Fowler, J. M.	Smith, Laird
Francis, F. H.	Wise, G. H.
Groom, L. E.	
Higgs, W. G.	<i>Tellers:</i>
Hughes, W. M.	Burchell, R. J.
Jackson, D. S.	Story, W. H.

NOES.

Blakeley, A.	Mahony, W. G.
Brennan, F.	Makin, N. J. O.
Catts, J. H.	Moloney, Parker
Charlton, M.	Page, Dr. Earle
Considine, M. P.	Prowse, J. H.
Cook, Robert	Riley, E.
Cunningham, L. L.	Ryan, T. J.
Fenton, J. E.	Tudor, F. G.
Gabb, J. M.	West, J. E.
Gibson, W. G.	Wienholt, A.
Gregory, H.	
Hill, W. C.	<i>Tellers:</i>
Jowett, E.	Page, James
Lazzarini, H. P.	Watkins, D.

PAIRS.

Anstey, F.	Watt, W. A.
Nicholls, S. R.	Chanter, J. M.
Stewart, P. G.	Chapman, Austin
Maloney, Dr.	Greene, W. M.
McWilliams, W. J.	Blundell, R. P.
Mahon, H.	Fleming, W. M.
McDonald, C.	Maxwell, G. A.
Mathews, J.	Best, Sir Robert
Lavelle, T. J.	Ryrie, Sir Granville.

Question so resolved in the affirmative.

Amendment negatived.

Amendments (by Mr. POYNTON) agreed to—

That the motion be amended by inserting after the words "pounds," in sub-clause 2 of the proposed new clause, the words "for each original shareholder engaged in the business in respect of which the loan is granted."

That the motion be amended by omitting the words "Two hundred and fifty," in sub-clause 3 of the proposed new clause, with a view to insert in lieu thereof the words "Five hundred."

Amendment (by Mr. POYNTON) proposed—

That the motion be amended by omitting the words "satisfactorily established," in sub-clause 7 of the proposed new clause, with a view to insert in lieu thereof the words "reasonably and satisfactorily assisted to re-establish themselves."

Question—That the words proposed to be inserted be so inserted—put. The Committee divided.

Ayes	36
Noes	16
Majority	20

AYES.

Bayley, J. G.	Kerby, E. T. J.
Bell, G. J.	Lamond, Hector
Bowden, E. K.	Lister, J. H.
Bruce, S. M.	Livingston, J.
Cameron, D. C.	Mackay, G. H.
Cook, Sir Joseph	Marks, W. M.
Cook, Robert	Marr, C. W. C.
Corser, E. B. C.	Page, Dr. Earle
Foster, Richard	Page, James
Fowler, J. M.	Poynton, A.
Francis, F. H.	Prowse, J. H.
Gibson, W. G.	Rodgers, A. S.
Gregory, H.	Smith, Laird
Groom, L. E.	Wienholt, A.
Higgs, W. G.	Wise, G. H.
Hill, W. C.	
Hughes, W. M.	<i>Tellers:</i>
Jackson, D. S.	Burchell, R. J.
Jowett, E.	Story, W. H.

NOES.

Blakeley, A.	Moloney, Parker
Catts, J. H.	Riley, E.
Charlton, M.	Ryan, T. J.
Considine, M. P.	Tudor, F. G.
Cunningham, L. L.	West, J. E.
Gabb, J. M.	
Lazzarini, H. P.	<i>Tellers:</i>
Mahony, W. G.	Fenton, J. E.
Makin, N. J. O.	Watkins, D.

PAIRS.

Watt, W. A.	Anstey, F.
Chanter, J. M.	Nicholls, S. R.
Chapman, Austin	Stewart, P. G.
Greene, W. M.	Maloney, Dr.
Blundell, R. P.	McWilliams, W. J.
Fleming, W. M.	Mahon, H.
Maxwell, G. A.	McDonald, C.
Best, Sir Robert	Mathews, J.
Ryrie, Sir Granville	Lavelle, T. J.

Question so resolved in the affirmative.

Amendment agreed to.

Question, as amended, resolved in the affirmative.

Resolution reported; report adopted.

ALIENS REGISTRATION BILL.

Bill received from the Senate, and, on motion by Mr. POYNTON, read a first time.

INVALID AND OLD-AGE PENSIONS APPROPRIATION BILL.

Bill returned from the Senate without amendment.

WAR PENSIONS APPROPRIATION BILL.

Bill returned from the Senate without amendment.

AUDIT BILL.

In Committee (Consideration resumed from 7th May, *vide* page 1930).

Clause 2—

This Act shall be deemed to have commenced on the first day of July, One thousand nine hundred and nineteen.

Mr. HIGGS (Capricornia) [9.42].—I move—

‘That the word “July” be left out, with a view to insert in lieu thereof the word “January.”

My desire is that the Act shall be deemed to have commenced on the 1st day of January, 1916. I submit this amendment because some time ago the Auditor-General desired to audit the books and accounts of the Colonial Combing, Spinning, and Weaving Company, but was prevented from doing so. I could never ascertain why he was refused permission to audit those accounts, especially as the Government were interested in the company. They had given that company a licence to manufacture wool tops and to sell them conditionally that they received 50 per cent. of the profits. The agreement under which the Government entered into this so-called partnership provided that an auditor should be appointed to audit the accounts of the company. But the Chairman of the Central Wool Committee, which was managing this business on behalf of the Government, decided to appoint, not the Auditor-General of the Commonwealth, but an outside auditor.

Mr. RICHARD FOSTER.—Will the honorable member’s amendment effect his object, seeing that this company is not a Government concern?

Mr. HIGGS.—The honorable member will see that I have given notice of a later amendment, which provides that the Auditor-General shall audit all the books and accounts of offices of the Commonwealth, and that he shall also be permitted to audit the accounts of “any persons, firm, or company carrying on business in which the Government is peculiarly interested, or from which the Government expect to derive a share of the profits from that business.” That amendment I wish to have inserted after

clause 8. As I have already explained, the Auditor-General desired to audit the accounts of the Colonial Combing, Spinning, and Weaving Company, and the then Treasurer (Lord Forrest), thought that as the Government were interested in the venture he should be allowed to do so. However, Sir John Higgins, the Chairman of the Central Wool Committee, thought otherwise, and would not permit the Auditor-General to audit the company’s accounts. That is the position as it exists to-day. In my opinion, the Auditor-General should be empowered to audit those accounts, and had he been able to do so, possibly certain impending litigation would have been avoided. To my mind, the only reason why Sir John Higgins objected to the Auditor-General being permitted to audit the accounts of the company was that he feared any such audit would disclose that Mr. F. W. Hughes had proved himself too clever for the Central Wool Committee.

Mr. ROBERT COOK.—Do not say that.

Mr. HIGGS.—I wish that the honorable member for Grampians (Mr. Jowett) were present, because he was a member of the Central Wool Committee at the time this agreement was entered into, as were also Mr. Falkiner and others. It appears to me that they did not examine closely enough the wording of that agreement. There was a word in it, namely, “amortisation,” which, like charity, covers a multitude of profits, if not of “sins.”

Mr. TUDOR.—What was the real effect of that word? Did it allow the company to write down their plant?

Mr. HIGGS.—The word may mean anything. It may mean the establishment of a sinking fund to pay off debts, or it may cover repairs to machinery, or depreciation. The only reason which I can conceive why Sir John Higgins objected to the Auditor-General being allowed to audit the company’s accounts was that such an audit would disclose that Mr. F. W. Hughes and his company had been able, under the agreement with the Commonwealth, to secure very large profits, and that it would have supported me in my contention that such a valuable concession as was granted to this company should have been submitted to public tender. However, honorable members are familiar with the history of the case, and I shall, therefore, content myself with moving the amendment.

Mr. RYAN.—Will the honorable member's amendment have the effect of permitting an audit by the Auditor-General to take place?

Mr. HIGGS.—It will have that effect only when conjoined with the further amendment to clause 8 of which I have given notice.

Mr. FENTON.—The honorable member desires this legislation to be retrospective?

Mr. HIGGS.—That is the object of empowering the Auditor-General to audit the books of the company.

Mr. TUDOR (Yarra) [9.50].—I do not know what the Government propose to do, but I understand that if we make retrospective action, and I know that in taxation Bills we always have to be very careful in this regard. I am anxious to give the Auditor-General this power as to the future, but to make the provision retrospective is another matter. I do not believe in any company being able to flout the Government or the Auditor-General; but if a bad contract was made, giving great advantages to one company which were not open to other companies, then the fault lies with the Government. I am not clear whether or not this contract was made by the Government of which the honorable member for Capricornia (Mr. Higgs) and myself were members.

Mr. HUGHES.—This is the first agreement, not the one entered into the other day.

Mr. TUDOR.—Quite so; but I understand that the amendment is retrospective from the beginning of January, 1916. If the contract was made by the Government of which I was a member I shall vote for the amendment. I am anxious that no one shall be in a position to say that I refused to make the provision retrospective because the contract was made by a Government with which I was concerned.

Mr. RILEY (South Sydney) [9.53].—I do not think the company would object to an investigation of its affairs; but the fact that it is proposed to go back and examine into the affairs of F. W. Hughes and Company would seem to indicate that there is something wrong with the contract.

Mr. HIGGS.—I did not say so.

Mr. RILEY.—But that might be inferred. I should not object if the amendment were made broad enough to take in all shipping, coal, and other companies

with which the Government have done business or made contracts.

Mr. FENTON.—The amendment is broad enough.

Mr. RILEY.—Only one company is mentioned, and I understand that the amendment is not retrospective in regard to other companies.

Mr. TUDOR.—Yes, it is.

Mr. RILEY.—I shall be pleased if that is the case. Messrs. F. W. Hughes and Company offered to show their books, and everything done was agreed to by the Government and the Wool Board. If the amendment is wide enough, as suggested, I do not see much objection to it.

Sir JOSEPH COOK (Parramatta—Minister for the Navy and Acting Treasurer) [9.54].—I suggest that this amendment should not be persisted in. I have not been able to follow the matter very closely, but, I understand that Mr. Allard was appointed auditor, and I respectfully suggest that that gentleman's reputation as an auditor and a citizen is quite equal to that of any one in the community. Any audit conducted by him would, I venture to say, carry as much weight as one by the Auditor-General. Mr. Allard is a man of the highest possible standing in Sydney, a man of great public spirit, who has done an immense amount of work for the State Governments.

Mr. MATHEWS.—It must be admitted that it looks suspicious when Sir John Higgins would not have the Auditor-General.

Sir JOSEPH COOK.—I see nothing suspicious about the matter. When Sir John Higgins agreed to accept Mr. Allard as auditor he accepted a man of the highest reputation in the public mind of the country, than whom we could get none more disinterested or with greater weight. Could there be the slightest suggestion that Mr. Allard would do anything not strictly correct I could understand the anxiety for the services of the Auditor-General. If we were beginning the business the attitude of honorable members opposite would have some point; but since Mr. Allard has been appointed a proposal of the kind before us is, under the circumstances, a reflection upon him—a slur that he really does not deserve. Is it worth while persisting in an amendment of the kind?

My colleague, the Minister for Works and Railways (Mr. Groom), who is more

familiar with the matter that I am, reminds me that not only was Mr. Allard appointed auditor, but that the Auditor-General approved of the appointment. What more could there be in the way of a guarantee? May I read a letter which sets out the whole case, and which appears in *Hansard* of the 25th July, 1919, page 11005? The letter is from the Treasury, and is signed by Mr. Cerutti, the Assistant Secretary to the Treasury—

On the 6th November last, the late Treasurer addressed to the Prime Minister a letter dealing with the audit of accounts of the firms who are manufacturing wool tops. A letter has now been received from the Auditor-General in which he stated he is prepared to formally appoint Mr. George Mason Allard to act on his behalf in making audits.

Mr. Allard would also be required to certify to statements and prepare reports for the Auditor-General.

The Auditor-General considers that the alternative course, namely, for one of the Audit Office staff to make inspections from time to time, would be inadvisable.

The Treasurer concurs in the appointment of Mr. Allard as suggested, if no objection is raised by the Central Wool Committee or by your Department.

That letter seems to complete the case. Here we have a gentleman of the highest character appointed with the concurrence of the Auditor-General.

Mr. RILEY.—The private company did not suggest the name?

Sir JOSEPH COOK.—No, the Central Wool Committee suggested the name; and what possible objection there can be I fail to see.

Mr. RYAN.—Did Mr. Allard make the audit?

Sir JOSEPH COOK.—I understand so. He did it, not only with the consent of the Central Wool Committee, but with the complete concurrence of the Auditor-General himself.

Mr. MAHONY.—Who are the Central Wool Committee? They are not above the Government, surely!

Sir JOSEPH COOK.—They are a body of men entitled to the greatest possible respect with regard to their views and standards of conduct, and the fact that eventually it was arranged that Mr. Allard should make this audit shows that the Committee had only one desire, namely, to secure an independent audit which would carry conviction with it to the mind of any reasonable man. Mr. Allard's name is too well known to be

associated with anything but matters of highest honour and greatest respect.

Mr. FENTON (Maribyrnong) [10.1].

—If there is any doubt about any of these matters, I dare say that Mr. Allard, if questioned, would readily assent to an overhaul being instituted. I understand that F. W. Hughes and Company Limited operates under the Companies Act of New South Wales. I do not wish to cast any reflections upon Mr. Allard, but from what I have heard, and from my own experience, there is reason to cast reflection upon the New South Wales Statute. I understand that things can be done under the cover of the Companies Act in that State which would not for one moment be tolerated in Victoria. The honorable member for Capricornia (Mr. Higgs) has upon various occasions sought to secure an investigation of this company and its affairs, and although it may involve retrospective legislation, if his amendment be agreed to, I intend to support it. If audits are allowed to be made in a loose fashion under the New South Wales Act it is all the more necessary that the Auditor-General should conduct an investigation for himself, either personally or by medium of his own officers.

Mr. HIGGS (Capricornia) [10.5].—

I propose to call attention to remarks of the Auditor-General in his report for 1917-18. First, however, I would remind honorable members that Sir John M. Higgins, when referring to the same subject stated, in his report on the Australian wool clip for 1916-17, presented to Parliament on the 25th July, 1917—

Continuous audits are conducted under the direction of the Auditor-General's Department of all business transacted through the Central Wool Committee and all State Committees.

I will now relate what the Auditor-General himself said in his report for 1917-1918. (vide *Hansard*, 24th July, 1919, page 10984)—

On the 1st March, 1917, agreements were entered into between the Commonwealth Government and Whiddon Bros. Limited, of Sydney, and the Colonial Combing, Spinning and Weaving Company Limited, of Sydney, respectively, under which these companies were authorized to purchase wool for the purpose of manufacturing wool tops. It was provided that all the books, vouchers, and documents in the possession, or under the control of, the respective companies, relating to the purchase, manufacture, or sale of the sheepskins, wool,

and wool tops, referred to in the agreements, should be produced to an auditor nominated by the Commonwealth Government for that purpose, and it was also provided that any nomination or other communication by the Commonwealth Government to the Committee should be deemed to be duly given if signed on behalf of the Commonwealth Government by the Chairman of the Central Wool Committee.

Sir John Higgins was the Chairman of that Committee, and he appointed Mr. Allard, of Sydney, as Auditor. I do not wish to cast any reflection upon that gentleman. The Auditor-General proceeds—

In pursuance of this provision, the Central Wool Committee appointed a Fellow of the Australasian Corporation of Public Accountants to conduct the audits. Subsequently the right honorable the Treasurer (Lord, then Sir John, Forrest) submitted his opinion that these audits, should be conducted under the control of the Auditor-General of the Commonwealth, and suggested that the auditor appointed by the Central Wool Committee should act under an appointment made by the Auditor-General, under the provisions of section II. of the Audit Act—should the Auditor-General be willing to make such appointment.

Mr. Israel states further—

I was quite prepared to do this, but, upon the matter coming under the notice of the Chairman of the Committee (Sir John M. Higgins), he declared that such an agreement would not be as satisfactory as the then procedure.

The Auditor-General further proceeds—

Upon receiving the balance-sheets of the auditor appointed, the Treasurer (Lord Forrest) asked for further information with respect thereto, but it was pointed out by the auditor that his reports were final, and that if further information with respect to accounts was required, this should be obtained from the companies direct. It is evidently desirable that in any future similar agreements, or in any regulations governing the agreements under review, provision should be made for such control by the Auditor-General as would enable the Treasurer and the Auditor-General to obtain all the information that may be desired. The position with respect to these audits has been fairly set forth in a memorandum prepared by the Assistant Secretary to the Treasurer, and, as it agrees with my own views, it is published under Appendix D.

That memorandum, referred to as coming from the Assistant Secretary to the Treasurer, states—

From many points of view this business was in a most indefinite and unsatisfactory position.

It is quite true that the Assistant Secretary said further that he doubted whether much good could accrue from going back

Mr. Higgs.

over this matter. It may be superfluous to go over Mr. Allard's work, but I urge the Committee to pay some attention to the request of the Auditor-General in respect to future agreements—namely, that he should be in a position to audit them himself and ask for any information.

Mr. RYAN.—The fact remains that the Treasurer was not able to get information when he asked for it.

Mr. HIGGS.—No. When Lord Forrest was Treasurer he did not feel satisfied. He asked for information which he could not get. I believe that the attitude taken up by the Central Wool Committee was that if the further information which he sought were obtained, it would not be fair to the company, because it would disclose its business to the general public, but of course a company which enters into a business arrangement with the Commonwealth must always be prepared to have all its actions made public. However, provided the Auditor-General is authorized to audit the books, accounts, and vouchers of any company in which the Government has a pecuniary interest at the present time, I do not insist upon the date being put back to 1st January, 1916, but I would ask the Committee to amend clause 8, and provide that the Auditor-General shall have power to audit the accounts of any existing firm or company in which the Government are pecuniarily interested. I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General). [10.13].—I have been unable to lay my hands on a copy of the agreement of 1917, to which the honorable member for Capricornia (Mr. Higgs) has referred, but I have with me a copy of the agreement laid on the table the other day, and I desire to draw the attention of honorable members to one or two of its paragraphs. It is a contract entered into between the Government and the Colonial Combining, Spinning, and Weaving Company, and provides for the auditing of the accounts in a certain way by a certain person. For instance, one paragraph reads—

The moneys so paid to the Commonwealth Bank of Australia under clauses *a* and *b* hereof shall forthwith be divided in accordance with the tentative estimate of the amount that will be available to the Commonwealth and the

company respectively in the terms of this agreement. For the purpose of this clause such estimates shall be made by G. Mason Allard, and the final adjustment of the respective amounts payable shall be duly made at the termination of this agreement.

Another clause provides that the certificate of the said G. Mason Allard shall be taken into account and embodied in any judgment, decree or certificate. Another provision reads—

The company shall prepare and deliver to the Commonwealth all proper accounts in connexion with all transactions carried out by the company under this agreement, and shall give every facility to the auditor appointed hereunder to verify the correctness of all amounts debited and credited in such accounts. The said auditor shall furnish to the Commonwealth a report on such transactions and accounts. G. Mason Allard, public accountant, of Sydney, is hereby appointed to be auditor hereunder.

Under the contract made between the company and the Government certain and definite arrangements are made by the two parties with respect to the auditing of accounts, and an auditor is appointed, namely, Mr. G. Mason Allard, apparently the same gentleman who was appointed under the first agreement. I submit that, no matter what amendment is moved here, no Court will read into the terms of the agreement anything but that G. Mason Allard was the only auditor that could audit these accounts unless the amendment moved be couched in such terms as would set aside the contract. I am not arguing whether there should be a Government auditor or not. When the Government had ample opportunity of insisting upon the audit of the accounts by the Auditor-General, it followed the example of the Central Wool Committee, and appointed Mr. Allard, upon whom the parties had previously agreed.

Mr. WEST.—We do not propose to interfere with existing agreements.

Mr. HUGHES.—It is a different thing if the honorable member's proposal is to apply to other agreements than those already entered into. I am merely pointing out that it can have no effect upon existing agreements.

Clause agreed to.

Clause 3 (Commonwealth Public Accounts).

Mr. FENTON (Maribyrnong) [10.18].

—The clause proposes to amend section 21 of the principal Act by inserting in sub-

section 1 after the word "accounts" the words "(except in so far as it consists of moneys held by the Treasurer in gold coin for the purposes of the reserve provided for in section 9 of the Australian Notes Act 1910-1914)". I would like an explanation of this amendment.

Sir JOSEPH COOK (Parramatta—Minister for the Navy and Acting Treasurer) [10.19].—According to the strict reading of the original Audit Act we are required to pay all public moneys into a bank, which means that we ought to transfer all the gold now held in the Treasury to some bank. But such action was never contemplated. The gold reserve is held in the Treasury, and the amendment embodied in this clause is necessary to provide that it may remain there legally.

Clause agreed to.

Clauses 4 to 7 agreed to.

Clause 8—

Section 45 of the principal Act is repealed, and the following section inserted in its stead:—

45. (1) The Auditor-General shall, at such intervals as he thinks fit, and whenever required so to do by the Treasurer, inspect, examine, and audit the books and accounts of any accounting officer, and of any person charged with the custody or control of stores belonging to the Commonwealth.

Mr. HIGGS (Capricornia) [10.22].—I move—

That the following words be inserted at the end of sub-clause (1):—"and of any person, firm, or company carrying on business in which the Government of the Commonwealth is pecuniarily interested, or from which the Government expect to derive a share of the profits arising out of the said business".

I have heard what the Prime Minister (Mr. Hughes) has said concerning the new agreement between the Colonial Combing, Spinning, and Weaving Company, but the clause referring to audits of these accounts has been amended, and Mr. Allard's name has been distinctly mentioned as the person who is to conduct the audit. It may be, as the Prime Minister states, that the Auditor-General cannot audit these accounts without some enactment declaring that agreement null and void, or without some amendment of the agreement. In any future agreement entered into by the Commonwealth Government with any company the Auditor-General should have power to inspect the

books, accounts, vouchers, and all documents concerning that company and its business. I think that is only reasonable, and the Auditor-General in his report has asked for that power.

Sir JOSEPH COOK.—It is very difficult to define it.

Mr. HIGGS.—It is not difficult, and there should be no objection to the addition of the words embodied in my amendment. I am not making any reflection upon the ability of Mr. Allard—

Mr. HUGHES.—It is perfectly clear that he cannot do it, and we cannot allow him to under this agreement.

Mr. HIGGS.—I think it can be done, and I am prepared to leave it to the Prime Minister and the honorable member for West Sydney (Mr. Ryan), who says it can be done, to thresh it out.

Mr. HUGHES.—It is perfectly obvious that it cannot be done.

Mr. HIGGS.—The honorable member for West Sydney says that there is nothing in the agreement to prevent it.

Mr. RYAN.—For every public purpose the Auditor-General should have the right to audit

Mr. HIGGS.—There is a new agreement between the Commonwealth Government and the Colonial Combing, Spinning, and Weaving Company under which the Government are to receive 80 per cent. of the profits, which nominally means a large percentage. What objection can there be to the Auditor-General inspecting the books and accounts?

Mr. HUGHES.—I see no objection; but the time for that to be done has passed, as it should have been provided for when the agreement was drawn up. The Crown had an opportunity of saying who was to be the auditor.

Mr. HIGGS.—If the Crown had ample opportunity that means, in this case, that the Government had the opportunity. The late Lord Forrest in 1917 was in favour of the Auditor-General inspecting the books, but Sir John Higgins said that it could not be done.

Mr. HUGHES.—The agreement was drawn up by the Solicitor-General and on his advice. He took all steps to safeguard the interests of the Crown, and recommended me to accept it, which I did. I am perfectly clear that he took all the necessary steps to safeguard our interests.

Mr. HIGGS.—Perhaps the Solicitor-General was not aware that when, as Treas-

urer, the late Lord Forrest received the balance-sheets of the Colonial Combing, Spinning, and Weaving Company, he expressed the opinion that the Government should have further information, and asked the Auditor-General to obtain it. Sir John Higgins said that the information the Government desired must be obtained from the company. The company, however, refused to supply it, because it said it would be disclosing their business to the general public. If a company enters into a business arrangement with the Government, it must necessarily incur the risk of having its business disclosed, although there is no reason why its private business or secret processes should be made public.

Mr. HUGHES.—We should not pass laws affecting an agreement that has already been adopted by both parties. I do not think a Court of law would allow us to do so.

Mr. HIGGS.—Does the Prime Minister say that is a reason why the Auditor-General should not inspect books?

Mr. HUGHES.—Not on the part of the Crown.

Mr. HIGGS.—What is the reason on the part of the company?

Mr. BOWDEN.—An agreement has already been arrived at, and we cannot depart from it unless there is a mutual arrangement.

Mr. HIGGS.—Are we to believe that there is a difference between the audit of Mr. Allard and that of the Auditor-General? Honorable members will see that the auditing of accounts must be either full and complete or only partial.

Mr. BOWDEN.—An audit by Mr. Allard would not disclose information to the same extent as one by the Auditor-General.

Mr. HIGGS.—There may be something in the contention that the audit of Mr. Allard would be of a more secret nature, or that he would not disclose to the public the business of the company in such a way that it might act detrimentally to their business in competing with other companies. We cannot imagine for a moment that the Auditor-General would be so unfair to the company as to disclose the operations of their business in a way that would be disadvantageous to them.

Mr. HUGHES.—Does the honorable member suggest that under this agreement the Crown is not protected, and that under Mr. Allard's auditing we would be deprived of something we should receive?

Mr. HIGGS.—Perhaps not under the agreement, but an audit by the Auditor-General might disclose that the agreement is bad, and that the system of arriving at the 80 per cent. of the profits is such that the bargain is not a very good one for the Commonwealth.

Mr. HUGHES.—I should be glad to make arrangements with other people throughout the country for 80 per cent. of their profits. We should do very well by such arrangements.

Sir JOSEPH COOK.—I understand that the function of the Auditor-General is not to pronounce on the quality of an agreement, but on the correctness of the accounts connected with it.

Mr. HIGGS.—The payment of 80 per cent. of the profits to the Government may be in the nature of an act of restitution by the company. Having found that it made such enormous profits out of the first agreement, the company might, in the goodness of its heart, have decided to give 80 per cent. of the profits to the Government because the agreement had only a few months to run.

Mr. TUDOR.—Another fairy god-mother!

Mr. HIGGS.—I imagine that the 80 per cent. will not represent anything like the amount which the Commonwealth expects to receive from the original agreement. In reply to the interjection by the Minister for the Navy (Sir Joseph Cook), I do not suggest that the Commonwealth will not get from the agreement all that it is entitled to, but the public ought to know the value of the concession that was given to the Colonial Combing, Spinning, and Weaving Company. I understand that the Commonwealth proposes to pay the whole of its share of the profits into the Wool Pool.

Mr. HUGHES.—No; only half.

Mr. HIGGS.—What is the value of the agreement if the Prime Minister gives the profits away in this fashion?

Mr. HUGHES.—The grower gets 40 per cent. of the profits, the Commonwealth gets 40 per cent., and the manufacturer receives only 20 per cent.

Mr. HIGGS.—And the unfortunate fellmongers and scourers, who do all

the dirty and disagreeable work in connexion with the manufacture, will get nothing. The Prime Minister was absent from Australia when we sought in vain to get 20 per cent. of the profits for the employees in the fellmongering industry. They ought to receive a share of the profits. Some members are setting up an extreme claim when they ask that the profits made out of the manufacture of the wool shall go to the Wool Pool.

Mr. HUGHES.—I did not agree to that, but I agreed that they should receive half of the profits on the raw material.

Mr. HIGGS.—If the contention of the Prime Minister be correct, that we cannot interfere with the agreement by appointing the Auditor-General over the head of Mr. Allard, no harm will be done by this amendment; it can only apply to future agreements. I hope that it will be accepted.

Mr. WEST (East Sydney) [10.35].—I have never lost an opportunity of urging that the Auditor-General should audit all Government accounts. In connexion with agreements between the Commonwealth and private companies, or bonuses paid to individuals or companies, or any other financial transaction to which the Commonwealth is a party, the Auditor-General should conduct the audit. I do not worry about the agreement made with the Colonial Combing, Spinning, and Weaving Company, or about Mr. Allard. I know that he is a good Liberal, and that the members of the Wool Committee also are supporters of the Liberal party, and I know that business men are not loath to place opportunities in the way of their commercial friends. That is the practice throughout the commercial world. My point is that the Auditor-General ought to conduct an audit of every account in which the Commonwealth is interested. There is nothing to prevent him from appointing a private auditor to do certain work in remote parts, but for the work so done he is answerable to Parliament. Ministers and members have no opportunity of verifying the correctness of public expenditure. When we authorize expenditure on certain projects, the only guarantee we have that it will be properly applied is the knowledge that it will be checked by the Auditor-General. I cannot understand why the Government oppose this amendment. The Audit Act should be made as stringent as possible,

so that no expenditure in any direction can be incurred without being subject to the supervision of the Auditor-General. That is the policy in connexion with all Government expenditure in Great Britain. There Ministers have no control over the Auditor-General, nor should they have any here; he should be answerable to Parliament only. The amendment represents a step in the right direction. Commonwealth expenditure has increased enormously; whereas a few years ago we grumbled about spending hundreds of thousands of pounds, to-day we expend tens of millions of pounds. If there had been a proper system of audit there would have been no opportunities for the defalcations that took place in connexion with military expenditure in New South Wales, where it will be remembered that one officer served three years in gaol for his part in them. Opportunities create fraud and theft, and it is our duty to prevent them. There is no greater preventive than a proper audit by the Government auditor. The audit of accounts of Government Departments should not take place only at the end of the financial year. The accounts should be subject to the indorsement of the Auditor-General during the whole year, even before they are paid. The public outside say that there is no business system in the Government Departments, and this amendment is a step in the right direction to assist to place the accounts on a true business footing. The only protection which the shareholders in some of our public companies have is the knowledge that all the accounts passed by the directors are subject to the scrutiny of an auditor of repute. The Government have not acted very wisely in the last agreement in including Mr. Allard's name. If I had known that the agreement was going to be made, I would have objected to the inclusion of that gentleman's name in it. There is nothing to prevent the parties to an agreement, other than the Government, having their own auditors, but to allow an outside auditor to control the accounts of the Government is not a position we ought to be placed in. Will the Government accept the amendment?

Sir JOSEPH COOK.—I am sorry I cannot just now. I will consider it.

Mr. WEST.—What does the Minister mean by "just now"?

Sir JOSEPH COOK.—I mean in connexion with this Bill.

Mr. WEST.—I do not understand the attitude of the Government. Have they done something which they are afraid will be discovered? There must be some reason for their refusal to accept an amendment which is at least within the realm of reason. I merely ask that accounts in which the Commonwealth is financially interested shall be audited in a manner that will give confidence to the Government and the House. Why do not the Government tell us their reasons for opposing so sound a proposition? I have nothing to do with the wool tops agreement, and I did not support the previous proposal of the honorable member to substitute 1916 for 1919, thus making the clause retrospective. However, I shall support him in this amendment. Surely the Government could not have read it. I do not know what outside people will think of this Parliament or of the Government when they learn that it was not accepted.

Sir JOSEPH COOK.—Does not the honorable member see that these are very wide, vague words, and carry us no one knows quite where? For instance, if we had an advertising contract with a lot of newspapers, we should be pecuniarily interested in all those newspapers. Would the honorable member audit all their accounts?

Mr. WEST.—The honorable member is a much simpler creature than I took him to be. I do not care if it is only a matter of a contract for envelopes for the High Court. That money comes out of the general revenue, and the accounts ought to be audited just as my pay and the Minister's pay are audited.

Sir JOSEPH COOK.—I merely suggest that we might have a lot of advertising contracts with newspapers, and this amendment would require the Auditor-General to investigate the affairs of every one of those papers.

Mr. WEST.—What if he did?

Sir JOSEPH COOK.—It is only impossible, that is all. He could not do it.

Mr. WEST.—It would be very beneficial if some contracts were inquired into. If the Minister knew a little more of what went on in connexion with military accounts he would be surprised at the loose way in which Government

cheques were passed and the hands that they got into. If the Auditor-General had known of it those officers would not have been allowed to continue in their positions, and the great frauds and deceptions that were perpetrated would never have occurred. One officer was of such high standing that no junior officer in the Military Department would say a word to him. Commonwealth cheques were passed into his own account, and the persons to whom they were made payable received cheques from his private account.

Sir JOSEPH COOK.—The honorable member is overlooking the fact that the greater part of this Bill is intended to give the Auditor-General infinitely greater powers and discretion than he has now.

Mr. WEST.—I quite admit that, but we can give him even fuller powers in all transactions in which the Commonwealth is interested. I do not know the Auditor-General from the carpet on this floor, but I am supporting the amendment as a matter of principle in order to safeguard the public revenue. In some business companies with which I have been connected the auditor has been able to find out things which we were not able to discover, and I believe the Auditor-General would be in the same position as regards Government accounts. I believe that the Auditor-General for the Commonwealth would be in the very same position. I am strongly in favour of the amendment. The Auditor-General should have power to see that every agreement entered into between the Commonwealth and any firm or company carrying on business in which the Government is pecuniarily interested is properly carried out. I hope to convince the Acting Treasurer that this amendment is in the best interest of the Public Service.

Sir JOSEPH COOK.—I appreciate all that the honorable member has said, but I cannot provide in this Bill for what is proposed. I hope the honorable member will not press it.

Mr. WEST.—I have done my best to urge upon the Government the desirableness of having a strict audit of all accounts. If the Government are not prepared to do what I ask, I shall at least have the satisfaction of knowing that I

have done my duty in pointing out that no opportunity should be given to public servants or any one else to defraud the Government. Fraud and deception are possible only where business is carried on in a loose way. When some of our public servants have "fallen from grace" I have been inclined to think that they should not be punished, because the loose way in which the Departments concerned were carried on made dishonesty possible. The temper of the Committee appears to be against me, but I honestly believe that a thoroughly up-to-date Audit Act would be in the best interests of the Public Service as well as of the Commonwealth as a whole.

Question—That the words proposed to be inserted be so inserted—put. The Committee divided.

Ayes	12
Noes	25
Majority	13

AYES.

Catts, J. H.	Ryan, T. J.
Cunningham, L. L.	Tudor, F. G.
Gabb, J. M.	West, J. E.
Higgs, W. G.	
Mahony, W. G.	<i>Tellers:</i>
Makin, N. J. O.	Fenton, J. E.
Moloney, Parker	Page, James

NOES.

Atkinson, L.	Kerby, E. T. J.
Bayley, J. G.	Lamond, Hector
Bell, G. J.	Lister, J. H.
Bowden, E. K.	Marks, W. M.
Bruce, S. M.	Poynton, A.
Cameron, D. C.	Prowse, J. H.
Cook, Sir Joseph	Rodgers, A. S.
Cook, Robert	Smith, Laird
Corser, E. B. C.	Wienholt, A.
Foster, Richard	Wise, G. H.
Groom, L. E.	<i>Tellers:</i>
Hughes, W. M.	Burchell, R. J.
Jackson, D. S.	Story, W. H.

PAIRS.

Anstey, F.	Watt, W. A.
Nicholls, S. R.	Chanter, J. M.
Stewart, P. G.	Chapman, Austin
Maloney, Dr.	Greene, W. M.
McWilliams, W. J.	Blundell, R. P.
Mahon, H.	Fleming, W. M.
McDonald, C.	Maxwell, G. A.
Mathews, J.	Best, Sir Robert
Lavelle, T. J.	Ryrie, Sir Granville
Lazzarini, H. P.	Livingston, J.

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clauses 9 and 10 agreed to.

Mr. HIGGS (Capricornia) [11.5].—I have given notice of my intention to move the insertion of a series of new clauses, to which I understand the Government offers no objection, and with the permission of the Committee I shall do so in one amendment. Honorable members agree that the Auditor-General, if not the most important officer in the Commonwealth Service, is one of the most important, and should be quite independent of political control, and beyond the suspicion of it. At present he is free only in name. I am glad that the Government is of opinion that he should have a Department of his own, that he should be at the head of that Department, and that he should have power to appoint his officers, providing only that they shall be members of the Public Service or entitled to appointment in the Public Service. We ought not, I think, to permit the Auditor-General to make appointments in the manner that appointments were made in the old days, those appointed not being required to prove their capacity by undergoing an examination; but where it is deemed to be expedient or necessary in the public welfare to appoint some person who is not in the Public Service, the Auditor-General is to be given the right to nominate or recommend to the Governor-General the appointment of that person. I move—

That the following new clauses be inserted—

2A. The Audit Department of the Commonwealth shall be a separate Department and the Auditor-General shall be the permanent head of the Department.

2B. Notwithstanding anything contained in any Act to the contrary, all appointments to the Audit Department shall be made by the Governor-General on the nomination or recommendation of the Auditor-General, provided that the Auditor-General shall nominate or recommend officers in the employ of or entitled to employment in the Public Service of the Commonwealth.

Provided further, that if at any time, in any special case, it appears expedient or desirable in the interests of the Commonwealth to appoint to the Audit Department some person who is not in the Public Service of the Commonwealth, the Auditor-General may nominate or recommend such person to the Governor-General for appointment.

2C. In all matters affecting the officers of the Audit Department not provided for under this Act, the Commonwealth Public Service Act shall prevail.

Sir JOSEPH COOK (Parramatta—Minister for the Navy) [11.8].—I agree with

the honorable member for Capricornia that the Auditor-General should, so far as possible, be allowed to select his own officers, and that he should not be subject to the control of the Public Service Commissioner in his very important functions. He should be independent not only in his audit, but also in the selection of his instruments. Therefore, I accept the amendment with great pleasure. The Bill does away with many of the limitations of the old Audit Act. For many years past we have prescribed how the Auditor-General shall conduct his audit, a thing that is absurd on the face of it. Now we propose to allow him to conduct his audit in his own way. The proposed new clauses are complementary to the provisions of the Bill.

Mr. GROOM.—The word "apply" should be substituted for the word "prevail" in proposed new clause 2c.

Mr. HIGGS.—I am willing to make that amendment.

Amendment amended accordingly, and proposed new clauses agreed to.

Mr. HIGGS (Capricornia) [11.10].—I move—

That the following new clause be inserted:—
"Section 4 of the principal Act is amended by inserting after the word 'thousand' the words 'five hundred.'"

The TEMPORARY CHAIRMAN (Mr. Watkins).—I would point out to the honorable member that his amendment would increase the expenditure under the Bill, and, consequently, I rule that it is not in order.

Mr. HIGGS.—Then I desire to strike out the word "thousand" and to leave a blank. May I refer, even at this late hour, to the scope of the Auditor-General's work? It covers the Commonwealth Treasury, the Military and Naval Defence Departments, including the Woollen Mills, Clothing Factory, Small Arms Factory, Cordite Factory, Harness and Equipment Factory, the Commonwealth Bank, Customs Department, land tax, entertainments tax, public passports, Australian Wheat Board, soldiers' repatriation, Commonwealth line of steamers, Prime Minister's Department, Department of Home and Territories, and the Department of Works and Railways. I am aware that I cannot move for an increase in the salary of the Auditor-General, but I sub-

mit that his salary should be at least £1,500 per annum, whereas he receives only £1,000. He has had no increase since the day he was appointed in 1901, notwithstanding that nearly every other officer of such high degree has had increases. I would like the Acting Treasurer (Sir Joseph Cook) to bring under the notice of the Cabinet the salaries of other highly placed officers. The High Commissioner receives £3,000 per annum, and an additional £2,000 for the maintenance of his official residence; the Australian Commissioner in the United States of America gets £3,000, and an allowance of £2,000; the First Naval Member receives £2,500 per annum; the general manager of the Commonwealth Shipping Line in London is paid a similar sum, whilst his assistant receives £1,080 per annum; the Chief Inter-State Commissioner gets £2,500 per annum, and his two colleagues each receive £2,000 per annum; the Chief Executive Officer of the Commonwealth Shipping Line gets £2,000; the Commissioner of the Commonwealth railways, £2,000; the Chief of the General Staff of the Military Forces, £1,500; the Director of the Bureau of Commerce and Industry, £1,500; the Public Service Commissioner, £1,500; the Acting Public Service Commissioner, £1,200; the general manager of the Arsenal, £1,350; the Commissioner of Land Tax, £1,250; the Prices Commissioner, £1,200; the Controllor-General of Trade and Customs, £1,200; the Director of Quarantine, £1,200; the Secretary to the Treasury, £1,200; and the Solicitor-General, £1,200. I would point out that the Auditor-General in South Africa receives a salary of £1,800 per annum. I believe in paying high salaries for the best brains; and the sooner that principle is recognised by the Commonwealth, the better it will be for all of us.

Mr. WEST.—The members of this Parliament ought to be paid more.

Mr. HIGGS.—I agree with that proposition too. Seeing that the members of the House of Representatives in America are paid £1,500 per annum, it is absurd that the members of this Chamber should receive only £600 per annum. I hope that the Acting Treasurer will bring this matter sympathetically before

the Cabinet, with a view to placing the Auditor-General in a proper position.

Sir JOSEPH COOK (Parramatta—Acting Treasurer and Minister for the Navy) [11.16].—I am in cordial sympathy with the object of the honorable member. I agree that the salary paid to the Auditor General is somewhat of an anachronism at this time of day. Having regard to the tremendous responsibilities of that officer and the character of his work, it cannot be said that he is adequately paid. I promise the honorable member that the matter will not be overlooked when the time arrives for a reconsideration of salaries. I have a new clause which I desire to insert after clause 3. It relates to the receipt of Customs moneys. At present these deposit payments may be retained only for three months in a suspense account, and the Act requires that they must then be paid into the public account. Consequently when refunds have to be made, they have to be taken out of that account and re-transferred to the Treasury. The new clause provides that the Customs Department may keep this money for six months instead of three months, thus doing away with endless confusion, worry, and trouble. I therefore move—

That the following new clause be inserted after clause 3—

“3A. Section twenty-nine of the Principal Act is repealed and the following section inserted in its stead:—

‘29. When any such money as last aforesaid shall have remained in such bank for three months, and thereafter for such period (if any) not exceeding three months as the Treasurer directs, such person shall pay the same and act in respect thereof and in regard thereto in like manner as accounting officers are required to pay and act with reference to moneys which shall come to their possession or control for or on account of the Consolidated Revenue Fund, or as near thereto as the circumstances of the case will permit; and such money shall be placed to the credit of the said Trust Fund under such separate heads as may be directed by the Treasurer.’”

Proposed new clause agreed to.

Title agreed to.

Bill reported with amendments. Standing Orders suspended, and report adopted.

Bill read a third time.

House adjourned at 11.20 p.m.

Senate.

Thursday, 13 May, 1920.

The PRESIDENT (Senator the Hon. T. Givens) took the chair at 3 p.m., and read prayers.

NEW SENATOR SWORN.

The Honorable Edward T. Mulcahy made and subscribed the oath of allegiance as a senator for Tasmania.

PAPERS.

The following papers were presented:—

War-time Wealth Increases: Memoranda submitted by the Board of Inland Revenue to the Select Committee of the House of Commons. (Paper presented to British Parliament.)

Lands Acquisition Act—Land acquired for Repatriation purposes at Victoria Park, Western Australia.

Public Service Act—Appointment of A. S. Robertson, Department of Works and Railways.

War Service Homes Act—Land acquired for War Services Homes purposes at—Cranbourne, Victoria.

Footscray, Victoria.

Newtown, Geelong, Victoria.

Customs Act—Proclamation, dated 27th April, 1920, prohibiting exportation (except under certain conditions) of meat, and revoking proclamation of 2nd May, 1911, relating to the exportation of meat.

PUBLIC ACCOUNTS COMMITTEE.

Senator EARLE presented the Second General Report of the Joint Committee on Public Accounts.

Ordered to be printed.

POSTMASTER-GENERAL'S DEPARTMENT.

DELIVERY OF MAILS BY "ORMONDE."

Senator THOMAS asked the Minister representing the Postmaster-General, upon notice—

1. The date of the arrival of the *Ormonde*, mail boat, at Fremantle?

2. Date of arrival at Adelaide?

3. Did the mail boat bring any English mail?

4. The date the mail was delivered in Sydney?

Senator RUSSELL.—The answers are—

1. 2nd May, 1920.

2. 7th May, 1920. The letter mails had arrived the day before by train.

3. Yes.

4. The first delivery is reported to have been available, through the private boxes, on Monday, the 10th May, at 7 a.m.

SUPPLEMENTARY APPROPRIATION BILLS.

THIRD READING.

The following Bills were (on the motion of Senator MILLEN) read a third time:—

Supplementary Appropriation Bill 1917-18.

Supplementary Appropriation Bill 1918-19.

Supplementary Appropriation (Works and Buildings) Bill 1917-18.

Supplementary Appropriation (Works and Buildings) Bill 1918-19.

SUGAR PURCHASE BILL.

Bill (on motion by Senator MILLEN) read a third time.

AUSTRALIAN SOLDIERS' REPATRIATION BILL.

Bill returned from the House of Representatives, with a message intimating that the House of Representatives did not insist upon its alternative amendment to which the Senate had disagreed, but had inserted a new alternative clause, 47A, with which it desired the concurrence of the Senate.

Motion (by Senator MILLEN) agreed to—

That the message be taken into consideration forthwith.

In Committee:

Clause 47A—

"(1) The Commission shall, subject to the approval of the Minister, have power to assist soldiers by way of loan to the extent of pound for pound contributed by them in cash or war bonds, for the purpose of establishing industries on a co-operative basis, such industries to include the manufacture of boots, woollen goods and clothing, tanning, wool-scouring, fell-mongering (and kindred industries), saw-milling, and other enterprises.

(2) The regulations may prescribe the conditions upon which any loan granted in pursuance of this section shall be repayable."

House of Representatives' Message.—That the alternative amendment to the amendment disagreed to by the Senate be not insisted on, but that in place thereof the following clause be inserted:—

47A. (1) The Commission shall, subject to the approval of the Minister, have power to assist Australian soldiers by way of loan, to an extent not exceeding one pound for each pound contributed by them in Treasury Bonds issued under section 13 of the War Gratuity Act 1920, or in

cash, for the purpose of establishing co-operative businesses.

(2) The amount of any loan granted in pursuance of this section shall not exceed One hundred and fifty pounds for each original shareholder engaged in the business in respect of which the loan is granted, and shall bear interest at such rate as the Commission determines.

(3) The aggregate amount of loans granted in pursuance of this section shall not exceed Five hundred thousand pounds.

(4) An Australian soldier who, has a share or interest in a business in respect of which a loan has been granted in pursuance of this section, shall not transfer his share or interest—

(a) unless the transferee is an Australian soldier approved by the Commission; or

(b) where the transferee is not an Australian soldier, unless, in the opinion of the Commission, there are special circumstances which render the transfer desirable.

(5) No person shall, without the consent of the Commission, enter into a mortgage, or give any lien, over the property of a business in respect of which a loan has been granted in pursuance of this section, and any mortgage or lien entered into or given in contravention of this sub-section shall be void and of no effect.

(6) The Commission, or any person thereto authorized by the Commission, shall at all times have access to, and may inspect, the books and premises of any business in respect of which a loan has been granted in pursuance of this section; and if, upon such inspection, the Commission considers that the business is being conducted in such a manner—

(a) as to depreciate the security of the Commission for the moneys lent by it; or

(b) as to prejudice the interests of the shareholders of the business, the Commission may require such alteration in the control or conduct of the business as it thinks desirable.

(7) Notwithstanding anything in this section, a loan shall not be granted for the establishment of a co-operative business—

(a) unless application for the loan is received by the Commission within twelve months after the commencement of this Act, or the discharge of the applicants from the Forces, whichever last happens;

(b) unless the applicants satisfy the Commission that they are qualified to carry on that business;

(c) unless the agreement, deed or articles of association entered into by the applicants is approved by the Commission; and

(d) if, in the opinion of the Commission, the applicants have been reasonably and satisfactorily assisted to re-establish themselves in civil life.

(8) For the purposes of this section "co-operative business" means a business which, subject to the rights of the Commission in respect of any loans granted for establishing the business, is owned by persons engaged therein.

(9) The regulations may prescribe the conditions upon which loans may be granted in pursuance of this section and the conditions upon which such loans shall be repayable.

Senator MILLEN (New South Wales—Minister for Repatriation) [3.12].—I move—

That the new alternative amendment made by the House of Representatives be agreed to.

I desire, as briefly as possible, to remind honorable senators of the history of this matter. In the form in which the Bill was submitted by the Government, no provision of this character was embodied in it. The other branch of the Legislature, however, inserted an amendment which provided, in a very crude and nebulous form, that advances might be made to assist soldiers to engage in co-operative enterprises. This Chamber rejected that proposal, and the other House then returned to us substantially the same proposal, but with a limitation upon the amount of the advances to be made—to a pound for pound contribution by the soldiers. The Senate again rejected that amendment upon my invitation. The Bill was once more returned to the other House, which has now forwarded us this further proposal. I do not intend to discuss the soundness or otherwise of the underlying principle of the alternative amendment. That was debated on a previous occasion, and I then acquainted the Committee with the views which I held regarding the proposal itself. But, as I have pointed out, it is obvious that when the two Houses are in conflict, there must be some give-and-take if any final agreement is to be reached. Whatever one may think of the original proposal, the amendment, as it now comes before us, contains many safeguards which are designed to meet the objections that were raised in this Chamber previously. Honorable senators will notice that in sub-clause 2 of the proposed new clause, the amount which may be advanced to any soldier applicant is limited to £150. In addition, in order to safeguard the finances of the Commonwealth, the clause provides that the total amount to be thus

advanced shall not exceed £500,000. The new clause also deals with the right of any soldier to transfer his interest in any co-operative enterprise. Previously, there was no provision in this regard. It must be obvious to honorable senators that where the Government is advancing money to a soldier with a view to benefiting him, their object would be defeated if that soldier could immediately transfer his interest to a civilian. Provision has, therefore, been made under which he will not be able to transfer his interest, unless the transferee is an Australian soldier approved by the Commission, or unless, in the opinion of the Commission, there are special circumstances which render the transfer to a civilian desirable. That will enable a soldier to transfer his interest to an equally eligible soldier; but in cases where it is sought to transfer to a civilian, the Commission will sanction the adoption of that course only if the circumstances justify it. The new clause also imposes a prohibition against persons engaged in these co-operative enterprises giving a mortgage or other lien over their property, which will necessarily be the security that is held by the Commonwealth. Sub-clause 6 will enable the Commission at all times to have access to the books and premises of any business in respect of which a loan has been granted. If it discovers that anything is going on which is detrimental to such business, it is empowered to insist on such alterations as it may deem fit in the circumstances. The new clause also limits the period within which applications for assistance may be lodged. These applications must be lodged within twelve months from the passing of the Bill, or twelve months from the discharge of the soldier, whichever may be the later period. Honorable senators will recognise the necessity for that provision; if it were not inserted, in ten, fifteen, or twenty years an effort might be made to take advantage of this clause by lodging belated applications. Applicants must satisfy the Commission that they are qualified to carry on the business in which they desire to engage. They must also satisfy it that they have a reasonable prospect of making their enterprise a success. There is another prohibition in para-

Senator Miller.

graph *d* of sub-clause 7 to which I desire to direct special attention. It provides that men shall not be eligible to receive assistance to embark upon co-operative enterprises if, in the opinion of the Commission, they have been reasonably and satisfactorily assisted to re-establish themselves in civil life. That will prevent men who have been so assisted forsaking the calling in which they have been placed to embark upon some other line of business. Sub-clause 8 is a very important one. It defines what is meant by "co-operative business." It reads—

For the purposes of this section, "co-operative business" means a business which, subject to the rights of the Commission in respect of any loans granted for establishing the business, is owned by persons engaged therein.

That is a very important provision, and in its absence it would be possible for soldiers who satisfactorily engage in a business to borrow money with which to start some other enterprise as a supplementary means of earning income from their investment. The sub-clause relating to regulations has also been amended. When it was previously before this Chamber the Commission had power to frame regulations for the repayment of loans, but the provision in its amended form gives it power to make regulations covering the granting as well as the repayment of loans. Taking the alternative amendment collectively the provision has been robbed of much of its vagueness and some of the points to which objection was previously taken. I submit that if there is a disposition, as I believe there is, to test the co-operative principle, it can be done under this clause without any great danger arising. Whether such co-operative undertakings will be a success or not will depend very largely upon the boys themselves, and upon the manner in which they form themselves into groups, and are mutually acceptable to one another. If men co-operate in such a way that they eliminate the discordant elements they will have a reasonable prospect of meeting with fair success. The keystone of the whole situation is the manner in which the men will be grouped, and the success or otherwise in co-operative undertakings under this provision will depend entirely upon the good fellowship of those concerned. Men must co-operate in spirit as well as in deed if they are to succeed as

we desire. Whatever our original ideas may have been regarding the proposition in its original form, I want to stress the point very strongly that, unless we take up the impossible attitude when there is any disagreement, we must be prepared to compromise between the views of the members in another place and those expressed by honorable senators in this Chamber.

Senator EARLE (Tasmania) [3.22].—I agree with the Minister for Repatriation (Senator Millen) that this is a very different proposition to that previously submitted to the Senate. There is no doubt that there is every opportunity of proving whether co-operation under this scheme is likely to be successful or not. Under the alternative amendment made by another place the Commonwealth will be adequately protected, and I am prepared to support it.

Senator PRATTEN (New South Wales) [3.25].—I had not the privilege of being in the Chamber when this controversy was first raised, but I desire to say that I was entirely in sympathy with those of my fellow senators who opposed the insertion of any such amendment in the Bill when it was before this Chamber. We have now before us an alternative amendment, consisting of nine sub-clauses, which purport to place an obligation on the Commonwealth to spend a further £500,000. Since this new Parliament met, in February last, we have been doing nothing but voting away money—

Senator FAIRBAIRN.—Yes, and the honorable senator wants more for the Sydney telephonic service.

Senator PRATTEN.—Some of the money made on the Sydney telephone service has gone in directions that will not benefit the Commonwealth as much as it would if it were used in improving the Sydney telephonic system. This is one of the many directions in which money is being mishandled.

We have passed a War Gratuity Bill which, we have been told, will involve the Government in expenditure to the extent of £28,000,000 or £30,000,000. So far as I can ascertain, every man who enlisted, and who spent three months in camp before he embarked for service abroad, will be entitled to a war gratuity from the time he left Australia until the signing of the Peace Treaty at Versailles.

The CHAIRMAN (Senator Shannon).—The honorable senator is not in order in discussing the War Gratuity Bill on the question before the Committee.

Senator PRATTEN.—I am quite *au fait* with your view, Mr. Chairman, as to what is right, but I am now dealing with the question of finance, and endeavouring to show the extent to which the Commonwealth is already involved. We have passed a Bill that will place an obligation upon the Commonwealth of, approximately, £35,000,000, instead of £28,000,000 as we have been told. The Australian Soldiers Repatriation Bill, which has just passed this Chamber, imposes an obligation upon the taxpayers of the Commonwealth of a further £30,000,000.

Senator DE LARGIE.—There is a limit to this proposal.

Senator PRATTEN.—I am coming to that point. I am not going to stand here and assist in voting away any further money in connexion with repatriation, war gratuities, or anything of that nature, because we have reached our limit—

Senator EARLE.—If it had not been for the soldiers who fought for us we would not be here to-day.

Senator PRATTEN.—Of course, I know that, but there is a limit, and I believe a great majority of the soldiers are with me.

Senator FOLL.—The soldiers do not want the country to be bankrupt.

Senator PRATTEN.—I am glad to have that interjection. So far as I can ascertain we have been fair to the soldiers, and a majority of them are re-absorbed in civil life, and are anxious to work for the good of Australia. We have to face the aftermath of war, and now, owing to the attitude of some faddists or factions in another place, we are being asked to sanction the payment of an additional £500,000.

Senator DE LARGIE.—This is supported by the Economy party in another place.

Senator PRATTEN.—Exactly. Where are we to stop? We strain in the endeavour to save a few thousand pounds, we pay some of our employees less than a living wage, and yet we are prepared to throw away £500,000 in order to compromise on a principle to which I am opposed. I warn honorable senators that there is a reckoning for this sort of thing.

We have put through appropriations for war pensions and old-age and invalid

pensions amounting in all to nearly £20,000,000 for two years; we have to build war service homes, and to settle soldiers on the land, and we have other obligations. How in the world we are going to meet them all I do not know, for when the Government come along with a proposal to help them in their finances, as for example the new wool scheme, that will ease matters so far as this Government are concerned, they find that everybody wants his pound of flesh, and nobody seems agreeable to make any sacrifices to help to meet the future with which we are faced. We know very well that wages and costs have gone up, and, whether we like it or not, we shall be faced in the coming August with a Budget that will be the biggest in the history of the Commonwealth, altogether outside of our war obligations. We are drifting on, and this is another drift that this Parliament evidently does not care about, so long as it can get through easily, and get the Prince's visit over.

I will not stand here in my capacity as representing a great tax-paying community such as New South Wales, and representing, also, the bulk of the returned soldiers, and agree to an amendment of this sort. I shall give the reasons why I will not agree to it. I am not opposed to co-operation, but I am opposed to a co-operation which means that the Government are committed to give £1 for £1 to the extent of £500,000 to practically the residuum of the soldiers who are not settled. The amendment provides that it shall be within the discretion of the Repatriation Commission to advance £1 for £1 for co-operative enterprises entered into by the soldiers, but the very cream of the men who would be likely to make those co-operative enterprises successful, are specifically debarred, under the terms of this proposal, from participating. Paragraph *d* of sub-clause 7 specifically excludes applicants who have been reasonably and satisfactorily assisted to re-establish themselves in civil life.

Senator SENIOR.—Do you not think that provision is absolutely necessary?

Senator PRATTEN.—Yes, but if we thoroughly believe in a system of this sort, we should have put it into the original Repatriation Bill, and given every soldier a fair chance to help establish a co-operative industry. The very incidence of this amendment is that it can be taken advantage of only by soldiers who have

not been satisfactorily settled or repatriated.

Senator BOLTON.—By the Government, not by their own efforts.

Senator PRATTEN.—The amendment does not say "by the Government." The Minister for Repatriation some time ago, when introducing the Repatriation Bill to this Chamber, said that the back of the repatriation problem had been broken, and that by far the greater number of the soldiers had been settled and re-absorbed into civilian life. This proposal, to my mind, is a direct incentive to the agitators, the unemployable, and the residuum of that gallant Army of 250,000 men, to come along and give everybody trouble, to continue to make a milch cow of the Commonwealth Government, and live on the game. The sum of £500,000, at £150 per head, will help co-operation only to the extent of 3,300 soldiers.

Senator DE LARGIE.—There will be a great scramble for it.

Senator PRATTEN.—I shall come later to the question of the scramble. Do honorable senators think it is a fair thing, if 240,000 out of our 250,000 soldiers are satisfactorily settled and re-absorbed into civilian life, and there is an unemployable, agitating lot of 10,000 left, that those 10,000 should have the right, so far at least as 3,300 of them are concerned, to come to the Government, and by pressure, and pull, and agitation, and noise, get another half-million pounds out of the community? That is what the amendment means. How did this magnificent scheme originate?

Senator MULCAHY.—From the Economy party.

Senator PRATTEN.—Yes; and so far as I can gather from the discussions that have taken place elsewhere, it originated because certain members of the Economy party want to revive some decadent country towns. The mover of the original amendment stated that all the money could be spent in his electorate, at Echuca and Shepparton. We know, too, that there was a move on to revive some of the decadent industries of the Grampians. Are we, the representatives here of the States, going to put up with parish pump politics of that sort? Ought we not to take a broader view? Ought

we not to remember that the Commonwealth is at present obliged to pay the States 25s. per head from its revenue, and that that money is part of the revenues expected by the various State Parliaments in order to carry out the necessary State services that we are sent here to safeguard? If we go on "chucking" our millions about like this, the very first thing that will be proposed after the Budget, perhaps by the Economy party, and certainly by the Unificationists, will be to cut down that State subsidy. If that proposal is made, I fail to see how we can avoid it.

We are building up trouble by passing amendments of this sort that have been put up, not with any real desire for co-operation, but with a possible desire—and, so far as *Hansard* shows, a confessed desire—to benefit country towns. Let us visualize some of the things that may happen under a scheme of this sort. Timber mills have been mentioned. I can imagine some one saying, "Oh! yes. Come along to this dying country town; there is a great timber industry there." Nothing will be said about the timber being cut out, but a magnificent prospectus will be prepared and issued, dwelling on the advance in the price of hardwoods, and the profits that can be made out of them. The citizens promoting that scheme, perhaps with a very high view of the civic spirit, so far as their own locality is concerned, will have only one object in view, and that is to get as much Government money as possible spent in their towns, so as to resuscitate their declining glory. Perhaps there is another town on an old mining field, where all the shafts are full of water.

Senator FOLL.—Bendigo, for instance.

Senator PRATTEN.—Bendigo is far from being an abandoned mining field; it is the most attractive mining field in Victoria today, and the one with the greatest potentialities. But there are plenty of abandoned mining fields in New South Wales and Victoria, with the shafts all full of water, and you can always get half-a-dozen old miners to make an affidavit that they left work on 2, 3, 4, or 5 oz. stone when the water came in. In this way a magnificent prospectus could be got up for some co-operative enterprise, with the help of the Government.

One of the wisest things done by the Minister for Repatriation (Senator Millen) was the insertion of that clause in the Repatriation Bill prohibiting any advance being made to soldiers who desire to enter into a business with which they had not been associated prior to going to the war.

The CHAIRMAN (Senator Shannon).—The honorable senator's time has expired.

Extension of time granted, on motion by Senator Foll.

Senator PRATTEN.—The other day I read of a scheme for the establishment of Army and Navy Co-operative Stores in Sydney or Adelaide, with a capital of £750,000. That project alone would mop up nearly the whole of this £500,000.

Senator FAIRBAIRN. — But that could not be included under this amendment.

Senator PRATTEN.—Why not? I see nothing in the amendment confining the help to be given by the Government to businesses of any sort. If half-a-dozen soldiers get together and organize charabanc services to the shop where the Prime Minister (Mr. Hughes) first sold books, they would have a right to come along to the Government for assistance, so long as they could prove to the Commissioner that the enterprise was likely to be profitable.

Senator SENIOR.—And if they put their own money into it.

Senator PRATTEN.—Or, again, if half-a-dozen soldiers wanted to establish a house and land agency, they could approach the Government for assistance. If we have to pass the amendment, we should endeavour to confine the expenditure to industries that are likely to be productive, and of some benefit to the Commonwealth. I am surprised that my friends in another place did not see this point. It certainly would be to the advantage of the Commonwealth if five additional woollen establishments were set going as a result of Government assistance on a co-operative basis so that if they failed utterly there would, at least, be something to show for it; and we want forty or fifty more woollen factories, in order to make all the cloth for our own requirements, and thus do something to cheapen the cost of clothing.

The amendment is going to lead us into all sorts of trouble. We cannot see the end of it. It was

said that only fools prophesy, and I am going to be the fool in connexion with this proposal. I prophesy that before we are through with this business, we shall find that a lot of soldiers have lost their money, and we shall have to wipe off our share of the liability as a bad debt. I believe that, if this amendment be accepted, members of Parliament will be approaching this or some future Government, pleading for some means whereby soldiers may be got out of trouble which we are now tempting them to get into under this amendment. I admit that, if we are going to have co-operation along the lines suggested in this amendment, we have as many safeguards as it is possible to get; but the Minister would strengthen the position if he would limit the expenditure to co-operative enterprises of a productive nature.

Senator MILLEN.—If two propositions are put up, it would be difficult to say which is going to be the more profitable.

Senator PRATTEN.—I suggest that the Minister should so frame the regulations as to prevent expenditure upon any co-operative concern that is likely to interfere with the present means of distribution, or with decent tradesmen or agents. I want to safeguard the Commonwealth from indiscriminate expenditure, because, as the amendment stands, it will be possible for a group of soldiers to co-operate in any enterprise, and expect a Government subsidy, if they satisfy the Commission that they come within the four corners of this amendment. I would heartily support co-operation along the lines I have suggested so that we may do something to create additional wealth. The amendment will not do that, and therefore I cannot support it. It is, in my view, altogether unnecessary, and as a representative of New South Wales I am going now to draw the line, because I am keeping in mind the aftermath, namely, the payments by the Commonwealth. The country is to be squeezed financially, anyhow, but we shall be squeezed absolutely dry if we go on like this. The amendment, I think, was forced on the Government by a faction in another place, and I shall not stand for any scheme that will jeopardize State finances.

Senator FOLL (Queensland) [3.48].—I agree with Senator Pratten as to the need for carefully watching public ex-

penditure, but I cannot share his fears so far as this amendment is concerned. After listening to the Minister's remarks, I think that anybody who reaps any benefit from this amendment will be a marvel. The Minister for Repatriation (Senator Millen), in the course of his remarks upon the Repatriation Bill some time ago, said that the back of the repatriation problem had been broken, and that over 90 per cent. of the men had been practically settled. Therefore, they will be barred from participation in this scheme.

Senator MILLEN.—That is not so. The amendment simply contains a prohibition against men who have been assisted to re-establish themselves in civil life. There are two conditions to be fulfilled. There is not only assistance, but that assistance must have been for their re-establishment.

Senator FOLL.—There are so many safeguards provided by the Bill that I think very few of our returned soldiers will derive any benefit from this proposal. As it is now before us, the amount which may be advanced by the Government under it is limited to £500,000. The Senate has reason to congratulate itself upon the action it has taken in connexion with this clause. When first it was presented to this Chamber from another place, it was very loosely worded, and might have committed the Commonwealth, if it had been accepted, to an expenditure of £15,000,000 or more, if the returned soldiers were prepared to invest their gratuity bonds and other moneys in these co-operative concerns. The action taken by the Senate should be a satisfactory answer to those who advocate that there should be only one legislative Chamber. A clause was passed in another place, consisting of seventy-five intellectual gentlemen, every one of whom might have been supposed to have sufficient intelligence—

The CHAIRMAN (Senator Shannon).—Order! The honorable member is not permitted to reflect upon honorable members in another place.

Senator FOLL.—I am not reflecting upon them, though if I were to apply to them terms which would adequately express my thoughts they would have to be very drastic indeed. The clause sent to us from another place was, in the

first instance, so carelessly worded that it provided for no limitation of the assistance which might be granted to co-operative enterprises undertaken by returned soldiers. But in our great wisdom we returned that amendment. As a result, the clause was improved by a provision for advances in support of the proposed co-operative enterprises only on a basis of £1 for every £1 invested by the co-operators. That was carried by a narrow majority in another place, and was sent here in the hope that the numbers would be found to be in favour of it. But the Senate, with great wisdom, again returned the proposal, and by so doing rendered Australia an important service. I think that the amendment, as it is now before us, is much more carefully worded, and more adequately safeguards Commonwealth expenditure. I do not share the fears expressed by Senator Pratten as to what may be likely to happen if the proposal, in its present form, is agreed to, because I think that the Senate has now been able to secure sufficient safeguards to prevent extravagant or useless expenditure under the proposal.

Senator MULCAHY (Tasmania) [3.55].—I had not an opportunity to deal with this question before, because I was elsewhere. But I did not forget my public obligations, though I was not present in this chamber; and during the last few weeks I have spoken to many electors of my own State and to some electors of the other States, and, so far as I can gauge public opinion, the action taken by the Senate in dealing with this matter meets with strong approval. I am sorry that we should be asked by the Minister for Repatriation (Senator Millen) to undo to-day what the Senate has done before.

Senator EARLE.—This is a very different clause from the one which was originally before us.

Senator MULCAHY.—The same principle is continued in this clause. We should consider what its history has been. I am in favour of strong Governments, and like a Government to tell quasi-supporters what they really mean. The origination of this clause was a challenge to the Government from quasi-supporters, telling them that they had not

done as much as they might have done for our returned soldiers.

Senator THOMAS.—The Government are strong on one point, and that is in their opposition to proportional representation.

Senator MULCAHY.—Senator Thomas is a little mad on that subject, and I am sorry to have to say that his madness is not confined to that question.

Senator MILLEN.—Senator Thomas may be mad, but others may be sorry about proportional representation.

Senator MULCAHY.—I have not the capacity to deal with two different questions at one time.

This proposal, originating in the way it did, was a challenge to the Government that they had not done as much as they should have done for our Australian soldiers. Australian sentiment is in favour of our being even more than generous to the returned soldiers; but I have met returned men who told me that, had they been in Parliament, they would have voted against the war gratuity. They have said that they did not go to the Front for money, and did not like even to have it offered to them. Those are the men who will make the best Australian citizens, because they are men who think, and who are prepared to recognise the obligations of to-day and of the future falling on their fellow citizens which were so properly referred to by Senator Pratten. Do honorable senators seriously think that we shall be acting in the interests of economy in agreeing to subsidize investments in these proposed co-operative enterprises on the basis of £1 for £1? The Commonwealth would have to take all the risk. The advance asked for is put forward as a loan, but we know what it will mean in most cases. Where loans have been advanced for the land settlement of soldiers, the Government have the security of the land and the improvements which they will take care shall be made upon it, and they will also very often have stock and implements as further security. But under this proposal what guarantee shall we have that returned soldiers investing in a co-operative enterprise will be possessed of the requisite business ability to make a success of it? I do not mean to say that there are no instances of flourishing co-operative businesses, but they are certainly very rare, and that

method of conducting business is not very generally adopted.

It is proposed, under the clause, to limit the expenditure under it to £500,000, and the amount to be advanced to an individual soldier to £150. But what honorable senator who considers the number of returned soldiers and their vast political power will deny that we shall later on be asked to increase these amounts?

Senator BAKHAP.—If the proposal produces good results, and the principle of co-operation is such a grand one, what matter? If it does not, we can shut down on it.

Senator MULCAHY.—It is our duty, as members of the Senate, to criticise the proposal as business men, and some of us have had a lifetime of business experience.

Senator BAKHAP.—We need not at the same time laud the principle of co-operation.

Senator MULCAHY.—I am not doing so.

Senator BAKHAP.—I am aware of that, but other honorable senators have done so.

Senator MULCAHY.—If we agree to the proposal now, the Senate will be going back upon itself.

I shall certainly vote with Senator Pratten if he divides the Committee on the clause. I think that Australia has done for our returned soldiers all that she could reasonably be expected to do. Twenty-eight million pounds is an enormous sum of money to be advanced by a population of 5,000,000, notwithstanding the richness of our territory. The resources of our territory are not being exploited and developed as they should be. It is strange that such a proposal as this should have come from the so-called "Economy" party. Why did not the Government tell them straightway to go to some very distant place? The Government should have told them that if they could not carry their own policy, they would not allow these people to force their policy upon the country.

We are informed that the proposal is now safeguarded to such an extent that, like a chip in porridge, it will do neither good nor harm. But to let a proposal of this kind pass for such a negative reason as that is not worthy of the Senate. I am very sorry that the Government did not tell the authors of this mischievous proposal—because it is nothing else—that

Australia had done her duty by the Australian soldiers, and was prepared to go on doing it. I suppose that from 95 per cent. to 98 per cent. of our returned soldiers are stalwart men, possessed of a spirit of manliness, and they will not expect this assistance. Those amongst them who are crippled are being well treated. While they were doing the fighting, to the credit of Australia be it said, no soldiers were better treated in the field, nor were any soldiers better treated on the way home, when they came home, or since they came home, by the provision that has been made for their future. Yet now we are asked, at the instance of a handful of men constituting a party, that should have been snuffed out when this proposal was made, to accept a clause which challenges the Government with not having done their duty.

Senator FAIRBAIRN (Victoria) [4.2].

—It must be amazing to us all to consider that this proposal originated with a member of a political party that has economy as its foremost plank. As Senator Pratten has very well pointed out, there is no economy about this proposal. We should seriously consider the position of Australia's finances at the present time. As reported in the press, the Acting Treasurer (Sir Joseph Cook) has made us acquainted with an alarming state of affairs. An increase in expenditure of over £7,000,000 has to be provided for, and at the present time direct taxation is enormous. We are deriving £10,500,000 from income tax alone. That is an alarming figure, and if the discussion upon this proposal in this Chamber does nothing else it may direct attention to our serious financial position. I was very glad to hear Senator Pratten say that he would do his best to curtail expenditure, and in that he will certainly have my assistance. If we continue as we are doing at present our whole financial edifice will be brought down about our ears. We should recollect that Australia was exceptionally hard hit during the war. We never had the advantages enjoyed by other parts of the Empire. The Canadians obtained full war prices for all their products. The Old Country is reaping an enormous revenue from its war-time profits tax, and that, too, if they are followed out, on large profits which have actually been paid by Australia in the shape of freight

and in other ways. India is doing remarkably well. South Africa is getting full prices for her products. But Australia, owing greatly to her isolated position, has been able to obtain not more than half the price for her commodities which she could have received had she been able to dispose of them in the open market. Now, when we might be able to take advantage of a fair market, we are faced with one of the worst droughts which Australia has ever experienced. Its effects will, no doubt, cause a vast shrinkage in our revenue from income taxation. I do not suppose that the State of New South Wales was ever in a worse plight than she is in at present. Whole districts have been absolutely denuded of stock, people are living from hand to mouth, and many who used to pay considerable sums in income tax are not now able to pay anything at all. Then Australia is very hard hit in another way—namely, by the rate of exchange. To-day, a resident in Canada can purchase a pound's worth of goods in the Old Country for 16s. 5d., but if an Australian wishes to purchase goods of that value he has to pay 21s. for them. A similar position exists so far as India is concerned, where the rate of exchange is also against us. We are in the identical position of the countries to which I have alluded, but because we deal in sovereigns, instead of rupees, we are exceptionally hard hit.

Senator PRATTEN.—We would soon be able to adjust that if trade were free.

Senator FAIRBAIRN.—I doubt the accuracy of the honorable senator's statement.

Senator MILLEN.—What does Senator Pratten mean by "free trade"?

Senator PRATTEN.—I mean that the rate of exchange would soon be adjusted if our exports were untrammelled by Government regulations.

Senator FAIRBAIRN.—The exchange is entirely against Australia, and I yet hope to hear somebody explain why it is so. Only the other day the Prime Minister (Mr. Hughes) quoted figures to show that our exports enormously exceed our imports. That is precisely the position which Canada occupies. Yet the rate of exchange is entirely in her favour, and entirely against us. We may fairly reckon

that we lose about 20 per cent. upon anything that we import from any other part of the world. In other words, we get only 16s. 5d. worth of goods for every £1 thus expended. Australia is, therefore, hit hard in every possible way. We have not received anything like war prices for our commodities, and on top of all these disabilities we are experiencing one of the worst seasons on record.

Senator SENIOR.—Have we not been told repeatedly that Australia is the cheapest country in the world to live in?

Senator FAIRBAIRN.—Yes; but I cannot go into that matter now.

I am scarcely willing to go to the length of rejecting the alternative new clause which has been forwarded to us by the other branch of the Legislature, and in which any advances made by the Commonwealth to our soldiers for co-operative enterprises appear to be very well safeguarded. For example, every soldier who desires to embark upon a co-operative enterprise will be required to lodge his application within twelve months from the passing of this Bill, or within twelve months of his discharge, whichever event shall have last happened. Applicants will also be obliged to satisfy the Commission that they are qualified to carry on the business in which they wish to engage. The Commission is further required to approve of the deed or articles of association entered into by the applicants, and the clause further provides that advances shall not be made to men who, in the opinion of the Commission, have been reasonably and satisfactorily assisted to re-establish themselves in civil life. These are very stringent provisions, and as there appears to be every prospect of the Minister for Repatriation (Senator Millen) remaining in his present office for twelve months, I am sure that he will administer them with due care and prudence.

Senator FOLL.—He has not a very enviable job.

Senator FAIRBAIRN.—But he possesses great capacity for carrying out that job, and I do not think he will be likely to approve any "wild-cat" schemes, such as the establishment of saw-milling and other enterprises. We are quite safe, therefore, in allowing the alternative clause to pass.

At present our chief concern is how to get the revenue that is required from day to day. Under the proposal of another place, the Commonwealth will be safeguarded by the £1 for £1 basis upon which these advances will be made. In the immediate future we must either borrow considerable sums of money or increase our income tax out of all reason. Personally, I am of opinion that the money required to carry out this particular scheme might very well be borrowed. The advances will not be in the nature of an absolute gift, as is the war gratuity, and the total amount involved may very well be added to loan account. If that be done, it will not be lost sight of, and the assets accumulating against it will be kept in view. In that way the difficult task of finding the annual revenue with which to meet our annual expenditure may be made easier. There are only two ways in which we may borrow money, namely, by compulsion or by paying the market rate of interest for it. In the past we have borrowed largely by threatening to use compulsion if the money was not forthcoming voluntarily. The result of that system has been that, directly loans have been floated, the value of the bonds in them has commenced to decline. However, I must not pursue that aspect of the matter. With the safeguards which are embodied in the alternative new clause, I think that we may very well come into line with the other Chamber.

Senator BAKHAP (Tasmania) [4.15].—Very slowly, but inevitably, does wisdom justify even the most guileless of her children. It will be remembered that I advocated the waging of the war on lines of the most economical character, for the reason that I anticipated the necessity of being generous to those whom I hoped would prove to be the victors when they returned from the scene of action. A good deal of opprobrium was levelled at me because of my opinions, but I survived that, and I am here now, not as a very enthusiastic advocate of the principle of co-operation, for I am not one of those who discover all kinds of beauties in the co-operative system, but who tremble when there is an opportunity to put it into practice.

When the amendment which the Senate rejected came to us from another place, I stated that, ordinarily, co-operation was not particularly suited

to the genius of the British race. Nevertheless, in the hope that the principle of co-operation would be given a trial in very satisfactory circumstances, I was one of the few honorable senators who voted for that amendment, although, in my opinion, it was of too general a character and somewhat vague. The principle underlying co-operation is, however, very much better defined in the alternative new clause which we are now considering. Before the co-operative system can come into operation, those who wish to engage in it must make a cash contribution which the Commonwealth will subsidize on the basis of £1 for £1. Then a time limit is imposed for the receipt of applications, there is a limit upon the amount which may be advanced to any individual soldier, and a further limitation as to the total liability of the Commonwealth. There is, therefore, quite a succession of safeguards embodied in the clause, and I think that the difficulty of a rich man entering the Kingdom of Heaven will be as nothing compared with the difficulty which will be experienced by an applicant under this clause. Why, then, are honorable senators so fearful about it? Whom is it proposed to assist? Young men. It is almost demonstrable without effort that those of our soldiers who are now capably engaging in civil life were the cream of the community. During the progress of the war did we not constantly hear regret expressed that Australian production had been materially curtailed because of the absence overseas of more than a quarter of a million of our young men? These were the units who produced Australia's wealth, directed, of course, by the brains of an older generation. It is these men whom it is proposed to assist, and not the withered relics of the manhood of the community.

Senator FAIRBAIRN.—Like honorable senators.

Senator BAKHAP.—But what honorable senators lack in vigour they make up in their intellectuality and experience.

Senator MILLEN.—I do not think it can be suggested that my honorable friend lacks vigour.

Senator BAKHAP.—I have not as much vigour as I would like in certain directions. I, too, am falling into the sere and yellow leaf. Under this clause we are not going to assist old and decrepit men, but young and active men. Is not that an argument in favour of the proposal?

Senator BOLTON.—Those are the men who do not want assistance.

Senator BAKHAP.—Does not Senator Bolton think that he could put his finger on one or two enterprises in which he could be successful if he were assisted to the extent of £1 for £1? Are there not many among us who think that we could stimulate productive industrial effort if we were assisted in the manner in which it is proposed to aid soldiers under this clause? But that kind of inducement is not held out to us.

I am very pleased that the clause provides that applicants who have been reasonably and satisfactorily assisted to establish themselves in civil life shall not be eligible to receive the advance mentioned in it. By far the greater number of men repatriated, as has been stated by the Minister for Repatriation, have found their own billets, and have not been assisted in becoming re-established in civil life. They have been the architects of their own fortunes. These men can see in Australian industrial life opportunities for taking greater advantage of the lucky occasions that sometimes arise in the commercial world. Ordinarily they would not be able to do this, but they will be able to by applying for assistance. Look at the succession of barriers they have to encounter! They have to seek the approval of the Commission and of the Minister, and after all the safeguards that have been provided in the alternative amendment have been complied with, they are to contribute pound for pound. After all the obligations and details have been complied with, the total commitment of the Commonwealth is £500,000. Will there be no successes? Honorable senators speak as though we were going to lose all that money. Are there not to be two, ten, a hundred or a thousand successes out of the total number who are entitled to apply?

Senator FAIRBAIRN.—Is half-a-million going to cover the expense? What of supervision?

Senator BAKHAP. — We are only committed to the expenditure of £500,000. I was in favour of waging the war with economy. We were not going to be parsimonious but liberal in our gifts to those who returned from the Front. That was the policy for the nation to have undertaken. Australia paid its men on

a more lavish scale than was attempted by any other country, and huge sums were expended for the services rendered by our men overseas. Are we now going to cavil at the expenditure of half-a-million in assisting these men who are compelled to contribute pound for pound? They are the veterans of our army, and are possessed, I hope, of those essentials to success—youth and health.

Senator MILLEN. — The honorable senator is not suggesting that we are spending only half-a-million?

Senator BAKHAP.—The Minister for Repatriation knows that I do not mean that. This is a proposal to assist men who are prepared to invest their own cash.

Senator Pratten spoke of the enormity of the proposal and the possibility of these men applying for assistance in connexion with mining enterprises. All I can say is that men who are not as active and as vigorous as many returned soldiers are being assisted daily by State grants in regard to prospecting enterprises. The policy of subsidizing mining enterprises is still in existence throughout the Commonwealth, and is at present not an obsolete practice in the State I assist in representing. It is all very well to talk of mining in the jocosse terms used by Mark Twain, when he said that "a mine was a hole in the ground generally owned by a liar." Australia's prosperity was very largely based in the early days on mining, and the city of Melbourne would not be what it is if it had not been for the rich gold discoveries that were made in this State. Where would Western Australia be but for its mining industry? The same remark applies with equal force to the other States. If it is legitimate for the States to subsidize elderly prospectors in connexion with mining, I do not see any reason why vigorous Australian soldiers should not be assisted in connexion with reasonably reliable ventures into which they are prepared to invest their own money. I resent the aspersion that there is anything particularly heinous in connexion with applications for assistance in regard to prospecting for minerals. Any Australian productive industry may be legitimately embarked on by these men under the provisions of the proposed new clause.

Certain industries are specifically mentioned, and these would, I presume, include mining.

Senator MILLEN. — They have been struck out.

Senator BAKHAP. — Yes, I believe I have made a mistake, as I was referring to an alternative amendment, which has not been insisted upon by another place. The proposed new clause, however, has for its object the establishing of co-operative businesses, and I suppose mining may be termed a business. If it is not a business, it is an enterprise, and civilization would not exist without mining; without it we would be going back to the stone age.

If I may be permitted to repeat myself, I must confess that I am not a very great believer in what might be termed "half-a-dozen-men co-operation." I do not believe that the genius of the British people lies in five or six people banding themselves together for prosecuting an enterprise. The Anglo-Saxon race has been successful, and its success is known the whole world over in connexion with its joint-stock enterprises. I am prepared to give this proposition a trial, particularly when it is to assist young men. There are many people associated with struggling enterprises who would be glad to be assisted on this basis.

Senator MILLEN. — Such businesses are not conducted on a co-operative basis.

Senator BAKHAP. — If co-operation is likely to be successful with un-subsidized persons there is a greater prospect of success when it is undertaken by young men receiving Government support. If the venture commits us at the most to the expenditure of half-a-million and produces nothing but a succession of failures, the curtain has to be dropped on the principle of assisted co-operation, and the utterances of its apostles must be relegated to the lumber room of platform speeches.

Senator DE LARGIE. — Can the honorable senator mention any industrial co-operative concern that has been a success?

Senator BAKHAP. — I admit that its successes have been very largely in connexion with distribution.

Senator DE LARGIE. — But in production?

Senator BAKHAP. — I am not conversant with the most modern development,

but co-operation in regard to distributing enterprises has been successful in England for three-quarters of a century.

Senator DE LARGIE. — Can the honorable senator mention one industrial productive concern conducted on a co-operative basis that has been a success in Australia?

Senator BAKHAP. — I cannot, for the simple reason that co-operation has not been particularly suited to the genius of the British people, and hardly any co-operative enterprises have been undertaken by the Anglo-Saxon people in Australia.

Senator DE LARGIE. — There are many in Western Australia.

Senator BAKHAP. — Were the men concerned actively engaged in connexion with such enterprises?

Senator DE LARGIE. — Yes.

Senator BAKHAP. — Will the honorable senator mention them?

Senator DE LARGIE. — In connexion with the timber trade there were several co-operative concerns which are all now *non est*.

Senator BAKHAP. — Were the actual shareholders working in connexion with those enterprises?

Senator DE LARGIE. — Yes, and managing them.

The CHAIRMAN (Senator Shannon). — Order! The honorable senator's time has expired.

Senator BAKHAP. — Taking everything into consideration, although I am not a rabid supporter of the principle, I am prepared to assist on this occasion.

Senator SENIOR (South Australia) [4.30]. — I must congratulate Senator Pratten on being able to produce a denser cloud than any that has overshadowed the Senate for some time. After lauding the soldier as we have been doing for some time, we are beginning to laud ourselves by referring to the enormous amounts that have been granted to them. If there are any persons that we should take special care of, it is those who are likely to be successful without our help.

Senator PRATTEN. — Is not the Bill framed with the object of helping them all?

Senator SENIOR. — There are some who are always difficult to place, and with the experience these men have had—a fierce experience which most of us fortunately escaped—we must take special care

of them, otherwise they will be held up as an example of what Australia has failed to do for its soldiers.

When the Bill was originally under discussion I was not in favour of the co-operative principle being embodied in its provisions, because I considered it out of place, but it is now included, and as the proposed new clause has its safeguards I intend to support it. If we are able to help those who may be regarded as difficult to place or unemployable, we should do so, as fully nine out of every ten of the men to be assisted under this scheme will undoubtedly be benefited. Some may fail, but it will not pay us as a Commonwealth if we do not protect those men who did not hold back when they might have, and who did not count the cost.

The clause limits the advance to each soldier to £150, and it does not provide that that amount shall be given to each man, although £150 is the maximum. There is also a limit to the aggregate amount to be expended. If such a provision as this were not included we would have been confronted with a difficulty in connexion with our repatriation scheme.

Senator PRATTEN.—Why did not the honorable senator raise that question when the Bill was under discussion in this chamber?

Senator SENIOR.—When the Bill was in Committee I took an active interest in the debate on every clause.

Senator PRATTEN.—The honorable senator did not suggest co-operation.

Senator SENIOR.—I took up my present attitude because I believe that if a co-operative system is to be introduced it should be done by means of a separate Bill and not grafted on to a measure of this character.

There are many points still to be dealt with, and we shall be continually amending this particular provision, because it does not deal effectively with the whole question. When it first came to us it had been ill-considered and hastily adopted in another place, and it was submitted to us in a crude form. It was returned to be amended, and, after all, it is only patched, and not properly amended at all. The safeguards that have been put into it seem to be as much as we could

possibly expect in that direction, and I do not think we can put any others in; but it should be possible to include a provision defining the particular classes of trade to which the clause is to apply. It is possible, as it stands now, for a group of soldiers who apply for assistance to engage in almost anything that may be foredoomed to failure. On the other hand, an enterprise such as the manufacture of woollen goods or of boots might be undertaken to produce articles that are needed here.

Senator PRATTEN.—Or to grow wheat.

Senator SENIOR.—No, I should draw the line at that point.

The Minister for Repatriation (Senator Millen), in introducing the clause this afternoon, suggested that success would depend largely upon the spirit of the men who united to form a co-operative body—their adaptability to work together, and their knowledge of the business they were undertaking. All those things must be taken into consideration. It seems to me that we have before us now only the inception of a scheme which we shall have to work out in detail, in order to arrive at the particular industries that ought to be co-operatively undertaken. Senator de Largie asked if we knew of anything that was successfully undertaken in Australia in a co-operative way. The Farmers' Co-operative Society has been successful in the handling and marketing of wheat throughout Australia.

Senator DE LARGIE.—That is distribution. I referred only to production.

Senator SENIOR.—I admit it; but, at the same time, that was an instance where men who possessed a common interest grouped themselves together to acquire advantages that they could not get otherwise. It is much more difficult to induce men with diversified interests to co-operate successfully. As an illustration, some years ago, when there was a slump in trade in South Australia, an attempt was made to start village settlements on the Murray. Ill-assorted men were drawn from all trades and conditions of life; but they were formed into what were practically co-operative and communistic settlements. The experiment turned out a dead failure; but the ultimate result was most successful, so far as South Australia was concerned, as a finger-post pointing out where others

could succeed. The money that was lost in that undertaking turned out to be money well invested in pioneering work.

Senator MILLEN.—That is not much satisfaction to the pioneers who failed.

Senator SENIOR.—I grant that; but many men who were adapted to the business afterwards succeeded on the very land, under the same conditions, and in exactly similar circumstances. Some of them are realizing to-day a return of £100 per acre per annum from their crops.

This clause marks only a beginning; but I hope the aggregate cost will not exceed £500,000, because there is a danger in gathering individuals together in a promiscuous way to join in co-operative undertakings. Success in such cases is always doubtful. Still, we cannot very well reject the amendment as it has now come back to us. The only ground on which we could reject it with anything like consistency is that it is not in keeping with the remainder of the Bill, or comprised within the title of the Bill. It may be argued that it is foreign to the Bill.

Senator DE LARGIE.—Then it must be out of order.

Senator SENIOR.—It is my opinion, and I entertain it just as strongly to-day as I did at the beginning, that it should have been dealt with in an entirely separate measure. But it is better, from the prudential point of view, to accept the scheme as a clause in the Repatriation Bill than to challenge another place, and have a new Bill brought down defining exactly the extent of co-operation to be allowed, and possibly involving the Government in an expenditure, not of £500,000, but of £2,000,000 or £3,000,000. It is better in the shape now proposed, because the aggregate liability is limited, and the individual advance is limited also. I am entirely in accord with the restrictions and safeguards which are now included. The crux of the position depends on who is to be the arbiter of these points. I can quite conceive that a gentleman who watched the finances of the Commonwealth as carefully as Senator Pratten would do would be the best man. He would see that the society that was given assistance was able to put down in valuable and possibly liquid assets something

that was equivalent to a security for the Commonwealth. The success of the scheme will entirely depend upon the supervision, the proper assorting of the men, and their suitability to the work in which they are to engage.

Senator DE LARGIE.—If you argue that experience in co-operative concerns would be a benefit, we should vote the whole £500,000 to Western Australia, where the people have had the most experience of co-operation.

Senator SENIOR.—The honorable senator's premises are unsound, and, therefore, I cannot accept his conclusions. Care will have to be exercised in controlling the scheme, in the selection of the men, in ascertaining their knowledge of the trade in which they are to engage, and their suitability for co-operation. With that reservation, I feel that we cannot reject the amendment. If we help and save even the residue of returned soldiers to whom Senator Pratten refers, we shall show the people of Australia and of the world that we are not willing that one man shall be neglected of all those who have done so much for Australia.

Senator BOLTON (Victoria) [4.45].—It is my belief that the average Australian soldier will admit that the people and the Government of this country have appreciated his splendid service in the most generous and handsome manner. With the comprehensive scheme provided for in the Repatriation Act generally, it seemed to me that this amendment was entirely unnecessary. It carries with it rather a vicious principle. It provides a limited amount of £500,000, and is restricted to a certain number of individuals. It may be said, roughly, that possibly 70,000 men are eligible to partake of the benefits proposed, but the limitation of the amount to be advanced to each individual, and of the total sum, restricts the benefits to a total of about 3,000 men. This is throwing an unenviable responsibility upon the Commissioners and the Minister who will have to administer the Act, and I am puzzled to know how they are going to decide which are the most likely to succeed, and the most worthy, among those 70,000 soldiers. Will the Minister for Repatriation state if the men who are receiving vocational training in his Department are eligible to partake of the benefits of the amendment?

Senator MILLEN.—They are not ineligible, but the amendment does not say that they would be regarded as eligible. They would have to meet the conditions as to suitability and fitness.

Senator BOLTON.—Men who have been vocationally trained together in certain lines may be usefully employed in that way. There are the copper and silver art industries, for instance. There is a very fine class in Ballarat for instruction in those industries, but the men will find some difficulty in applying what they have been taught to the earning of a living. A few of them, however, may be collectively in a position to start business in something taught to them by the very Department under which they can gain this privilege. In that direction the scheme may be an advantage, but I do not see how it can be an advantage to the whole of the 70,000 men I have mentioned. The Repatriation Act generally should apply to all men on the same lines, and not to a few. That is the objection I have to the amendment; but, after all, in relation to what has been done and is being done for the soldiers, we are really making much ado about nothing. It is a mere flea-bite. Notwithstanding the difficulties I have pointed out, I am going to support the amendment.

Senator PRATTEN (New South Wales) [4.48].—Before the amendment is passed, as it probably will be, judging by the tenor of the speeches we have heard, would it be beyond the bounds of possibility to get some expression from the Minister for Repatriation (Senator Millen) of his view regarding the businesses which will be subsidized under it? I do not think it has been denied that it would be possible for soldiers, if they knew the business, and were otherwise eligible under the amendment, to form co-operative tea companies, or motor garage companies, or agency companies, or hundreds of things of that sort which would be of no earthly good to the people of the Commonwealth. On the other hand, if the policy of the Department under the regulations were that the Commonwealth, as a homogeneous whole, should get the maximum result in increased wealth from the expenditure of this money, the objections would to a great extent disappear. For instance, co-operation between returned soldiers for the pur-

pose of primary production of any sort would obviously be to the advantage of the Commonwealth, if the resulting increased production could not be obtained in any other way than by subsidizing those men £1 for £1. The erection of additional factories, many of which are badly wanted, and even woollen or paper mills, which, I think, was stressed in another place, would be a distinct advantage. If half-a-dozen soldiers, expert in the business of paper-making, started in a small way, their enterprise obviously would be of some advantage to the Commonwealth, even if they failed and we lost our money. I merely illustrate these industries as being among those on which this £500,000 should be spent. If the Minister would give some indication as to what is in his mind, I think it would guide us in our votes, and certainly it would guide the Commissioners in their actions.

Senator MILLEN.—That is not the intention of the Act. The Commissioners will be charged with the duty of determining applications, subject to the concurrence of the Minister.

Senator PRATTEN.—But if the Minister indicated now the lines on which he thought the expenditure might proceed, it would guide the Commissioners, and also save a great deal of trouble to the Government, Ministers, and members of Parliament, in connexion with some "wild-cat" schemes that might be projected under this amendment.

Senator BAKHAP.—The honorable senator does not want middlemen's business?

Senator PRATTEN.—No.

Senator MILLEN.—Yet they are among the most successful of co-operative concerns.

Senator PRATTEN.—That may be so, but they can be established by the soldiers without Government assistance. This £500,000 belongs to the taxpayers, who are entitled to get the best value for it. It would not be a good thing, for instance, to subsidize a co-operative tea company, which, if it were successful, by virtue, perhaps, of the subsidy, would probably displace somebody else already in the business. Increased production has been preached from the Prime

Minister (Mr. Hughes) down to the most modest member of this Parliament.

Senator MILLEN. — Everybody is preaching it, but few are listening.

Senator PRATTEN.—I admit that; but, still, a good many people want to practise the policy; and if we are to spend another £500,000, we should see to it that the soldiers who will handle this money do something to add to our production. But this sum, after all, will be distributed amongst about 3,300 soldiers, and as Senator Bolton has just pointed out, many thousands will be disappointed, and we may have applications from time to time for an extension of the principle. The amendment, I repeat, is going to lead us into all sorts of complications.

Senator BAKHAR.—It would be a good thing if the soldiers started a co-operative coal mine in New South Wales.

Senator PRATTEN.—It would be likely to be most unsatisfactory. I may tell my honorable friend that the history of industrial co-operation is one of unending failure. We cannot point to one successful industrial co-operative scheme in my own State. I do not shut my eyes to the fact that the soldier, good fighter as he is, is only human—neither better nor worse than other people in our community—and I do not think the Commonwealth is under any obligation whatever to subsidize soldiers' co-operative enterprises pound for pound. True co-operation does not look for subsidy from any one.

Senator MILLEN (New South Wales—Minister for Repatriation) [4.56].—Senator Pratten has addressed to me a very definite and pointed inquiry. He would like me to expound the policy which, if I remained a Minister, would be the one of which I approved. I point out, however, that upon the Commissioners will be thrown the duty of inquiring into proposals that may be made under this amendment, and submitting recommendations for the approval or veto of the Minister. The amendment itself is silent as to the character of the co-operative enterprises that may be established, and therefore it is quite clear that the intention of Parliament, if the amendment be adopted, is to throw open to co-operative enterprises the whole range of our commercial and industrial activities. So

much is clear. But Senator Pratten doubts the wisdom of encouraging certain small businesses. In this matter, I am entirely with him. The bulk of the failures among the men who have been assisted into businesses have arisen in this way. One cannot walk down any suburban street of our cities without a feeling of surprise at the multiplicity of little businesses. Therefore, it can be of no advantage to the community to further multiply such establishments. But, on the other hand, success or failure in business has a definite relationship to the character of the man engaged in it, and so it is impossible to lay down any hard-and-fast rule upon this point. The Commissioners will judge each proposal on its merits, having regard, of course, to the adaptability of men for particular occupations. Outside this broad and general line, it is impossible to go. I may say, however, that if I happen to be Minister in six months' time, I shall not be bound by anything I am saying now, because, as I have previously pointed out, in repatriation matters, we are doing to-day what we learned from yesterday's experience. Broadly, my view is that we should endeavour, as far as possible, to place men into civil life again in occupations which will produce something that was not in existence before; but while this might be laid down as a general principle, there may arise circumstances in which the Commissioners will approve of certain undertakings that at first sight appear to be unnecessary. It will be more advantageous, I think, if we can direct the energies of our soldiers into productive enterprises rather than into distributing concerns; but I do not want it to be thought that, in saying this, I hold that there should be a general prohibition against the establishment of distributing businesses. Frequently manufacturing and distributing concerns go hand-in-hand, and therefore we cannot lay down any hard-and-fast lines. We can only trust that the Commissioners will be men of superhuman knowledge and great capacity, and that the Minister will not be an absolute fool.

Motion agreed to.

Resolution reported; report adopted.

AUDIT BILL.

Bill received from the House of Representatives, and (on motion by Senator MILLEN) read a first time.

PROCEDURE ON BILLS.

RIGHT OF MINISTERS TO TAKE CHARGE IN EITHER HOUSE.

Senator THOMAS (New South Wales)
[5.3].—I move—

1. That the Standing Orders Committees of the Senate and the House of Representatives be requested to consider the question of preparing Standing Orders providing that a Minister in either House may attend and explain and pilot through the other House any Bill of which he has had charge in his own House.

2. That this resolution be forwarded to the House of Representatives for its concurrence.

I propose to occupy only a few minutes in advocacy of the motion, because it seems to me that no argument is needed to recommend it. The object is to request the Standing Orders Committees of the two Houses to frame new standing orders which will permit a Minister of one House attending in the other House and piloting, but not voting for, any measure of which he may have charge, through that Chamber. I have been a member of both Houses of this Parliament, and in my judgment the Minister in charge of a Bill that concerns his own Department is in a better position to explain the measure, and secure its passage in the other branch of the Legislature, than a Minister who may be acting for him there. I have no desire to disparage any Minister in another place; but I venture the opinion that if the Minister for Repatriation (Senator Millen) had been in charge of the Repatriation Bill in the other House, we should not have had the protracted debates on the messages that have passed between the two Houses during the past week or two. On the contrary, the Bill, I believe, would have passed the other Chamber more in conformity with the views of the Minister who introduced it into the Senate. The same remarks may apply to measures, and especially big financial proposals, coming to the Senate from the House of Representatives. The Treasurer, in my opinion, would be able to give a clearer explanation, and deal more effectively with the financial proposals of the Government than the Minister who represents him in this Chamber.

I remind honorable senators that in 1894 a Royal Commission on Constitutional Reform, appointed by the Victorian Parliament, made an inquiry into this, among other questions. That Commission comprised Mr. (now Sir Robert) Best, Chairman; the late Sir

Graham Berry, the late Mr. Alfred Deakin, Mr. (now Mr. Justice) Isaacs, Sir Alexander Peacock, the late Mr. William Shiels, Mr. W. A. Trenwith, and the late Sir George Turner, all very well known in the public life of Australia. In their report upon constitutional reform, they made the following recommendation:—

Under the present parliamentary system, a Minister, who has most completely mastered every detail in connexion with a measure referring to his Department, may take charge of it only in the House in which he has a seat. He is unable to be present in the other Chamber to explain the Bill or to answer the numerous questions that may arise upon it. The Commission feel that public business will be greatly expedited and the time of Parliament greatly saved by enabling Ministers to sit and speak in either House. They therefore recommend that the present system be altered so as to give every Legislative Assembly Minister power to sit and speak in the Legislative Council in connexion with matters relating with his own Department, or on any Bill whereof he has charge, but not to vote there; and that similar privileges be given to Legislative Council Ministers with reference to the Assembly.

Although that resolution was carried, so far as I know the reform has not been adopted by the Parliament of Victoria. Still, in my opinion, the arguments in favour of it are good, and the Royal Commission to which I have referred unanimously agreed to recommend it.

I may say that as to France we are informed that—

Ministers are collectively responsible to the Chambers for the general policy of the Government, and individually for their personal acts.

The French Ministry is responsible to the Chamber of Deputies, as the English is to the House of Commons, and resigns on a hostile vote on any matter of importance. Ministers have a right to be present and keep in either Chamber, whether members of it or not.

In France, therefore, Ministers have the entrance to both Chambers at request. They may be assisted for the discussion of a specific Bill by Commissioners named by decree of the President of the Republic. In Italy Ministers also have entrance to both Houses, and may be heard upon request. In the Netherlands Ministers have seats in both Houses, but they have only a deliberative voice unless they have been elected members of the House in which they sit. In Portugal, Ministers may attend in each House and discuss their

proposals, but they do not vote, and cannot be present when the vote is taken unless they are peers or deputies. In Spain, also, Ministers may be senators or deputies, and may take part in the discussion in both legislative bodies, but vote only in the one to which they belong.

It will be seen, therefore, that I am not asking for something which is not done in any other place.

Senator SHANNON.—It would not make it any worse if the honorable senator did.

Senator THOMAS.—That is so. I quite admit that there is no reason why we should not originate such a reform. I ask that Ministers should have the right which I suggest in respect only of their own Bills. I do not ask that a Minister with a seat in another place may come to the Senate chamber to pilot through a measure that will not be administered by his own Department. I am asking only that Ministers shall have the right to come here from the House of Representatives to pilot through the Senate measures of which they have had charge in another place.

Some persons have asked whether consistently we can do what I propose. I am not in a position to say whether the Constitution would absolutely prevent this being done. Whilst personally I hardly think that it would, I am not a lawyer, and, therefore, do not claim to pass an opinion on the subject. Some time ago I submitted a question to the Attorney-General to discover whether there was any constitutional difficulty in the way of this reform, and the reply I received, and no doubt quite correctly, was that the Attorney-General did not give advice on legal questions asked in that way. The only way in which we can find out whether what I propose is constitutional is to pass the motion, ask the Standing Orders Committees to consider it, and if they are agreeable, to submit standing orders to give it effect. The standing orders can then go before the Attorney-General, and we can get his advice upon them.

Senator BAKHAP. — The honorable senator's proposal is merely to submit the matter to the Standing Orders Committee.

Senator THOMAS.—Yes, that is all I ask the Senate to do. I think the adoption of such standing orders would help us and save the time of a Minister in dealing with Bills. I am not breaking any particular confidence when I say that I remember that when a particular Bill came before the Senate from another place, and a certain part of it was under discussion, the arguments adduced here influenced the Minister in charge of the measure, and he confessed that, whilst he might be prepared to accept an amendment suggested, it was not his Bill, but that of another Minister, and without the consent of that Minister he hesitated to accept the amendment, and felt that he would have to proceed with the Bill as it was. We all know that when a Government supports a particular measure a number of members of Parliament are willing to support it on that account.

I do not know of any arguments against my proposal, which, it seems to me, speaks for itself. I ask merely that the matter shall be referred to the Standing Orders Committees for consideration. They may either propose to the Senate the adoption of standing orders to give it effect or submit a report adverse to the proposal.

Senator FOLL (Queensland) [5.16].—I have much pleasure in seconding the motion so ably moved by Senator Thomas. I feel that it is unnecessary for me to enlarge on the disability under which honorable senators and Ministers in this Chamber labour when Ministers are called upon to explain at the second-reading stage Bills which they have practically had no opportunity of considering. One of the strongest arguments which Senator Thomas used in support of the motion was his reference to the amendment of the Repatriation Bill, with which we have been dealing during the last few days. I venture to say that had Senator Millen been present in another place to explain, in the able way in which he can explain, his own Bills, he would have been able to convince honorable members there that they were wrong in the attitude they took up in connexion with their amendment of the Repatriation Bill. I remind honorable senators that at the end of last session, when Senator Millen was unfortunately away because of ill-health, and Senator Pearce was in England, the

whole burden of submitting measures to the Senate was thrown upon the shoulders of Senator Russell. He was called upon to explain a number of Bills without having a sufficient opportunity to inform himself as to what they contained. He was given a task which no Minister should have been asked to perform. It must be apparent to every member of the Senate that Ministers here are often at a great disadvantage because the Minister in charge of a particular Department is not present in this Chamber to give information concerning details of measures which are to be administered by his Department. Senator Thomas has put forward weighty arguments in support of his motion. I second it with pleasure, and hope that it will be carried.

Senator SENIOR (South Australia) [5.19].—The motion submitted by Senator Thomas must commend itself to every thinking man. At the present time Parliament is apt to become merely a machine for the passing of certain measures, and we are apt to overlook the fact that the real business for which Parliament is constituted is to adequately discuss proposals for laws relating to the government of the country. In view of the multitude of matters with which a Minister has to deal, it is absolutely impossible for him to make himself thoroughly acquainted with the contents of every Bill he may be called upon to take charge of in the Senate. If there were no other reason in its favour than that it would lighten the burden which is at present carried by Ministers, and provide the members of this Parliament with fuller information, the proposal submitted by Senator Thomas should be adopted. To me it seems strange that English-speaking people should have been so exceedingly slow to adopt what is obviously a common-sense practice.

Senator BAKHAP.—The British parliamentary system has always discriminated very clearly with regard to the function of review.

Senator SENIOR.—The British Parliament has certainly had some traditions to maintain, and it appears to have concerned itself more with their maintenance than with the adoption of a desirable innovation. Under present conditions Ministers in this Chamber cannot be expected to become thoroughly conversant with the Bills that they have to pilot through it.

This afternoon we had an admirable illustration of the tactfulness and resource of the Minister for Repatriation (Senator Millen) in dealing with a new proposal which had been inserted in the Repatriation Bill at the instance of the House of Representatives. That honorable gentleman always exhibits such a masterly grip of the questions which he is called upon to handle that it is a pleasure to follow him. Similarly, we should find the Budget speech much more entertaining if we heard it from the lips of the Treasurer himself than we do when we read it in the pages of *Hansard*.

Senator BAKHAP.—The Treasurer frequently reads the Budget speech himself.

Senator SENIOR.—But there are often interjections which serve to illuminate the subject upon which he is speaking. We are here as a deliberative body, whose duty it is to intelligently grasp certain things. Parliament does not exist for the benefit of parliamentarians, but for the purpose of doing its legislative work well. Of course, it may be urged by some that up to the present we have got along very well without discarding old traditions. But to be original seems to be an inherent trait in the Australian character. It behoves us, therefore, to take a common-sense view of this matter, and to follow the practice which most commends itself to our mature judgment. I thank Senator Thomas for having brought this matter forward, and I can assure him of my cordial support. I shall not venture an opinion upon the constitutionality or otherwise of his proposal. Personally, I cannot see that it transgresses our Constitution in any way, and I do not think there will be any dangers arising out of the innovation which are not present under the existing system. I believe that it would be better for the other branch of the Legislature to occasionally hear the wisdom of the Senate, expressed by a Minister from this Chamber, than for it to be continually spurning our work.

Senator MILLEN (New South Wales—Minister for Repatriation) [5.26].—I do not know that there is much to be added to the debate upon this proposal, but I think honorable senators will bear with me while I express my own views upon it, founded, as they are, upon an experience of parliamentary life which is becoming rather a long one. I have spent a few years upon the Treasury benches, but many more years upon the other side of the chamber. It does seem to me that

some such proposal as that which we are now considering is more urgently required to-day than it has been at any time previously, because of the growing demands which are being made upon the time of Ministers. Senator Thomas, whilst affecting to speak of a confidential matter, merely stated something which is generally known. It is quite obvious that when a Minister receives a Bill from some Department other than his own, and an amendment is submitted which appeals to him as being a reasonable one, he is afraid to accept it, because he does not know the extent to which it may possibly destroy some other portion of the measure. But the Minister who was in charge of that Bill would know instantly whether such an amendment would be useful or destructive in its effect. I hope that honorable senators will not use against me at any future time the little confession which I am about to make. I have frequently received from the other branch of the Legislature, Bills which I have had to present to this Chamber. I have read the memorandum relating to their contents with fear and trembling, lest somebody might know something and put a question to me. Had the Minister who was in charge of the Bill been present to pilot it through this Chamber, that question would have been welcomed, and the information thus elicited would have been useful to the Senate. Take the case of the Attorney-General, whose duty it is to deal with such important matters as Arbitration Bills. Surely it would be an advantage to the Senate if our legal adviser, who has probably spent days in the preparation of those measures, could come here and expound their provisions to us. His deputy in this chamber can only pretend, at the most, to possess a casual and superficial acquaintance with them. Again, take the position of the Treasurer. How can one expect a Minister here—either my colleague, the Minister for Defence (Senator Pearce), who has had control of that Department in its busy days, or myself since I have been in charge of the Repatriation Department and the housing scheme—to give to the Budget statement that close care and attention which the Treasurer himself necessarily bestows upon it? Yet, so far as this Chamber is concerned, all his labour is wasted.

Senator Millen.

Senator BAKHAP.—Under the existing system, two Ministers are required to do one Minister's work.

Senator MILLEN. — Similarly, it would be an advantage to the other House if, on defence matters, or matters relating to my own Department, Senator Pearce or myself could go down there and explain them. I do hope that nothing I am saying will be regarded as a reflection upon the way in which Ministers elsewhere discharge their important functions. I am sure that the Minister for Home and Territories (Mr. Poynton) himself would be the first to admit that the man who has built up a Bill brick by brick and wall by wall, so to speak, must necessarily be better informed of its purposes than a colleague who is merely called upon to take it up and undergo a process of cramming. For that reason I am cordially in favour of this proposal. The question has been raised as to why English-speaking people have not adopted this innovation. It seems to me that there are always two opposing characteristics in the British race. In one way the Britisher is daring, enterprising, and inclined to wander; but in respect of governmental institutions, he is undoubtedly Conservative. That the people of Australia reveal a somewhat similar tendency is shown by their reluctance to alter our Constitution. But in this matter we have to take note of the changing conditions of our public life to-day, as compared with those which existed a few years ago.

Senator BOLTON.—What is the constitutional aspect of this proposal?

Senator MILLEN.—Fortunately for a large number of people in this country, I am not a lawyer. Speaking as a layman, I cannot see anything in our Constitution to prevent its adoption. To me it seems to involve merely an amendment of the Standing Orders of either House. When Senator Bolton interjected I was remarking that the people of Australia have exhibited a reluctance to alter our Constitution. But, seeing that every day Governments in Australia and elsewhere are being called upon to discharge different duties and functions, and that there is crowding into our parliamentary

life many times the business that confronted us when I first entered Parliament, obviously there should be some method of simplifying our procedure. Senator Bakhap interjected a little while ago that, under our existing system, two Ministers were required to study the same Bill. I desire to correct him by saying that only one Minister is required to study a Bill closely—his colleague probably possesses only a superficial knowledge of it, and is merely called upon to read off certain notes relating to it. I support the proposal with the fervent hope that another branch of the Legislature will disclose that wisdom which sometimes marks its proceedings by agreeing with the Senate upon this occasion.

Senator PRATTEN (New South Wales) [5.33].—Towards the end of the year we shall probably have to discuss Tariff matters very exhaustively. I do not think it is at all fair that Ministers here should be called upon to deal with those matters in the way that they will be required to deal with them under the existing system. Obviously it would be an advantage for the Minister who is in charge of Tariff matters to come into this chamber and explain them. We all recognise that the measures dealt with in the Senate are handled by Ministers in a most able way. Our trouble is that sometimes amendments are inserted in Bills by another place, and we are obliged either to accept those amendments or to create a political crisis. We had an illustration of that kind this afternoon. Without any disrespect whatever, I say that there are many occasions upon which, if the Minister who is in charge of a Department were also in charge of the Bill dealing with the matters of that Department in both chambers, our legislation would be more satisfactory, and would go through with much less debate, and prove to be a better finished article. I would particularly remind the Leader of the Senate (Senator Millen) that in regard to Tariff and taxation questions—the big questions that we shall have to face towards the end of the year—it would be a great advantage to the three very much over-worked Ministers in this chamber if they could have the assistance of the Ministers

who are directly concerned in those matters.

Senator BAKHAP (Tasmania) [5.35].

—It is certainly my intention to support the motion, because it merely commits us to submitting the question to the Standing Orders Committee for investigation. If there is any constitutional difficulty in the way, I think it can very easily be obviated by the adoption of one of two methods which may be considered after we have heard the report of the Standing Orders Committee. It is, I understand, compatible in every way with parliamentary practice in a legislative Chamber such as this to give permission for any person to address honorable senators from the Bar of the Senate. It may seem, of course, somewhat undignified for a Minister of the Crown to appear at the Bar, but as the Speaker of the House of Representatives has to appear at the Bar of the House to receive his commission in the form of a Vice-Regal mandate, it does not appear unreasonable for a Minister to do the same.

There is, perhaps, another way in which we could avail ourselves of the services of a Minister representing the Government in another Chamber if we desired to do so. He could be permitted to address us under the system by which we extend a courtesy to a distinguished visitor, and perhaps if I am in error, Mr. President, in this regard, you will correct me. I believe it is competent for you, Mr. President, after announcing the arrival of a distinguished visitor, to order a chair to be placed at his disposal, and it is therefore quite conceivable that under such circumstances we might ask a Minister to address us at our invitation. I think Ministers could be readily introduced here by adopting that practice if there is any constitutional difficulty in the way. In the event of such a contingency as that mentioned by Senator Pratten, when we are likely to have an early discussion on such a vexed question as the Tariff, the Minister in charge of the measure, if the Senate so desires, could be invited to this Chamber and treated as a distinguished visitor, and thus assist us even in such a prosaic business as legislating. We might reasonably introduce this reform, which is not far-reaching in character, and which may be the means

of expediting the passage of legislation. If we were to adopt either of the methods I have suggested, we could commence next week, if we so desired, and avail ourselves of the services of Ministers in another place.

Question resolved in the affirmative.

ADJOURNMENT.

ALLOTMENT OF LAND IN NEW GUINEA— VISIT OF H.M.S. "RENOVN" TO HOBART.

Question (by Senator MILLEN) proposed—

That the Senate do now adjourn.

Senator FOLL (Queensland) [5.40].—

It is not my intention to delay the Senate for any time, but in justice to a Sydney gentleman I wish to give some information in connexion with a question I submitted to the Minister for Repatriation (Senator Millen) a few weeks ago. I was approached by the New Guinea Soldiers' Settlement Committee of Brisbane, which brought under my notice the fact that in an article published in a Papuan newspaper it was stated that a Mr. Sommerhoff, the managing director of the Standard Export and Import Company, of Sydney, was travelling to New Guinea for the purpose of acquiring land. It was stated in the article that Mr. Sommerhoff was in possession of credentials from the Commonwealth Government. As a result of the question I asked, I was informed by the Minister for Repatriation that no land would be made available for settlement until such time as a mandate was received from the Imperial authorities, and that this gentleman held no credentials from the Commonwealth Government. In the *Daily Telegraph* and the *Sydney Morning Herald* of Thursday, April 22, paragraphs appeared giving the reply of the Minister for Repatriation. I have now received a letter from Mr. Sommerhoff, the gentleman referred to, and in justice to him I shall read the communication, which is as follows:—

Sydney,
12th May, 1920.

Senator Foll,

Federal Parliament, Melbourne.

Dear Sir,—My attention has been drawn to the attached paragraph marked "A", which appeared in the *Daily Telegraph* on the 22nd ult. I presume that the *Papuan Courier*,

owned by Mr. Wilkins, is the newspaper referred to by you. As you will see by reference to the *Sydney Daily Telegraph* files dated 28th ult., personal column, I went to the Islands in conjunction with my business, for the purpose of studying the local land laws, and also that I carried State credentials. I showed this paragraph to the editor (Mr. Wilkins) of the *Papuan Courier* on board the *Morinda*, also the accompanying credentials from the New South Wales Government. The statement that I had proceeded to New Guinea with a view to purchasing extensive properties is without foundation, and presumably Mr. Wilkins thought that the credentials referred to were from the Commonwealth Government, etc. For your benefit I might state that my object in visiting Papua and the late German New Guinea possessions was, *inter alia*, to study land and native questions. Of course, at the time I was on business bent in connexion with the Standard Export and Import Company, of which I am the managing director. The fact of Senator Millen's statement in reply to your question that I did not hold Government credentials has been the means of placing me in a very invidious position, and has led to numerous misunderstandings. As you are aware, unfortunately there is, comparatively speaking, only a small number, more especially in such distant parts as Papua and New Guinea, who can distinguish between State credentials and Commonwealth ones, and as I naturally presented my State credentials during my visit to the Islands to various officials and business men, and as it became generally known that I carried same, there is every likelihood, in view of your question and Senator Millen's reply thereto, of a doubt arising as to the authenticity of same. I have not the honour of knowing you personally, but as a keen student of politics I, of course, know you by repute, and I therefore feel confident that you will assist me in every way to remove this erroneous impression. Might I suggest that you draw the attention of Senator Millen, and also publicly place before the Senate the above facts. By doing so you will be conferring a special favour on me, and by such action you will help to stop the envious tongues of my business rivals. As these statements have appeared in the Sydney papers, and have already been widely brought before the notice of my competitors, I would ask you to see that whatever action you may take on receipt of this letter is published in the Sydney newspapers. The attached clippings from the Sydney newspapers will explain themselves.

I feel that in justice to Mr. Sommerhoff I should quote that letter, because the whole misunderstanding arose as a result of the Soldiers Settlement Committee in Brisbane approaching me in connexion with an article which appeared in the *Papuan Courier*. I raised the question in the Senate, because I was anxious that when land is allotted in that Territory soldiers should have the first choice, but at

the same time I have no desire to do this gentleman any harm. I have in my possession the State credentials to which he has referred, which were issued by the New South Wales Government, and were signed by the then Acting Premier, Sir George Fuller. I merely place these facts on record to enable the whole matter to be cleared up.

Senator EARLE (Tasmania) [5.45].—I desire to invoke the assistance of the Minister for the Navy (Sir Joseph Cook) through his representative in the Senate, to deal somewhat further with a matter which may seem somewhat trivial, but one which is of great importance to Hobart. The people of Hobart are very proud of their harbor and their main pier, where there is a depth of 64 feet of water at low tide. The harbor is a most expansive and sheltered one, and the citizens of that capital are very disappointed to learn that the H.M.S. *Renown*, which is bringing H.R.H. the Prince of Wales to Australia, is not to berth at the pier, but is to anchor in the harbor. I know the Admiral in command of the vessel is the person who will decide whether the H.M.S. *Renown* will go alongside the pier or remain at the anchorage. I have received a message from the Marine Board of Hobart, protesting against H.M.S. *Renown* remaining at the anchorage, and the Minister for the Navy was good enough to place the communication before the proper authorities. I have now received from the Secretary for the Navy the following reply:—

The matter has already been referred to the Admiral of H.M.S. *Renown*, who, taking into consideration the size of the ship, her construction, possible bad weather, and the absence of tugs, has decided to anchor off instead of going alongside the pier.

It has now been officially announced that H.M.S. *Renown* is to berth alongside the new pier at Melbourne, and this naturally causes a great deal of jealousy—shall I say justifiable jealousy—on the part of the Hobart people, who claim that they have, if not the best pier in Australia, certainly one without a rival. In view of these circumstances, I ask the Government to make overtures to His Excellency the Admiral, and ask if he cannot arrange for the H.M.S. *Renown* to berth alongside the pier, where the vessel cannot possibly suffer damage, as there is ample water, and adequate protection from all weathers.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.48].—In answer to the remarks of Senator Earle, I may say that, although I am directly representing the Minister for the Navy (Sir Joseph Cook), I happen to come into contact with many similar difficulties in connexion with the movements of H.M.S. *Renown*, and on all occasions we have communicated with the Naval authorities. For instance, the H.M.S. *Renown* is proceeding from Hobart to Albany instead of to Fremantle, and an endeavour was made to arrange for the vessel to call at the latter port, but I was informed by the Naval authorities that her movements were largely controlled by the situation of oil depôts and the carrying capacity of the ship. The H.M.S. *Renown* could proceed to Fremantle, but her prompt return could not be guaranteed owing to the absence of oil fuel depôts, which, I hope, will soon be established in different parts of the Commonwealth. I shall, however, bring the matter under the notice of the Minister for the Navy, as it is our desire to make arrangements that will be generally acceptable to a majority of the people.

Senator MILLEN (New South Wales—Minister for Repatriation) [5.49].—In regard to the matter raised by Senator Foll, I may state that when he introduced this matter he read a newspaper report to the effect that this gentleman had gone to New Guinea for the purpose of acquiring land, and that he was in possession of Commonwealth credentials.

Senator FOLL.—That statement was published in the Papuan newspaper.

Senator MILLEN.—I said at the time that the statements were incorrect, and the gentleman who has now written to Senator Foll should communicate with the newspaper which published an incorrect report. Might I suggest also, that, in regard to "putting the *Daily Telegraph* right," Senator Foll should undertake the task of giving them the correct facts? I have seen the credential issued by the New South Wales Government to this gentleman, and it appears to be quite in order. I know of no particular reason why a State Government should not give a credential to one of its citizens going out, but it will occur to most people that it is a little curious that that gentleman

should have carried a credential from a State Government, when a Commonwealth Government was in existence, and when he was going to visit a Territory which was distinctly under the control of the Commonwealth. I want Senator Foll to ask that gentleman if, before he obtained that State credential, he had not previously and fruitlessly applied for a Commonwealth credential?

Question resolved in the affirmative.

Senate adjourned at 5.52 p.m.

House of Representatives.

Thursday, 13 May, 1920.

MR. SPEAKER (Hon. W. Elliot Johnson) took the chair at 2.30 p.m., and read prayers.

TEMPORARY CHAIRMAN OF COMMITTEES.

MR. SPEAKER laid on the table his warrant nominating Mr. Bamford to act as a Temporary Chairman when requested so to do by the Chairman of Committees.

PUBLIC ACCOUNTS COMMITTEE.

MR. FOWLER presented the second report of the Joint Committee on Public Accounts.

Ordered to be printed.

SEA CARRIAGE OF GOODS COMMITTEE.

MR. McWILLIAMS presented an interim report of the Select Committee on the sea carriage of goods.

Read, and ordered to be printed.

SUPPLY OF COAL.

MR. TUDOR.—Last week, in reply to a question asked by me, the Minister for the Navy said that it was the endeavour of his Department to let the wholesale coal merchants have as much coal as possible. I do not doubt that; but I remind him that at the present time there is probably not 1 cwt. of coal in many large districts. A firm which last May supplied 600 tons of coal to householders, has now only 20 tons of coal with which

to furnish three of the largest depôts. Is it not possible to give the people some relief? Winter is nearly on us, and if they cannot get coal very soon it will not be of much use to them.

SIR JOSEPH COOK.—I very much regret these troubles, but they are inseparable from the circumstances in which we are placed. We have not got coal enough to go round, and therefore we cannot make it go round. The Coal Board consists of practical men who know the requirements of the public as few others can. The Navy is not controlling the distribution of coal, notwithstanding a statement in the newspapers criticising its management.

MR. TUDOR.—I do not reflect on the Coal Board in any way.

SIR JOSEPH COOK.—The members of the Coal Board are business men of the highest type, the Chairman being the President of the Economy Commission. They are doing their best with a difficult situation. I am inquiring whether steps cannot be taken to entirely divest the Navy Board of all responsibility in this matter. Now that the Commonwealth control of shipping has ended, there seems to be no reason why the Commonwealth should concern itself with the distribution of coal within a State, that being rather the function of the State authorities. My feeling is that we should let the State Governments look after this matter.

MR. TUDOR.—Then the people are likely to fall between two stools, and get no coal at all.

SIR JOSEPH COOK.—It is said that the people of Victoria are prevented from getting coal because of the Commonwealth control of distribution; but I think that when our control has ceased, it will not be any easier to get coal. My view is that, as the Commonwealth has ceased to control the shipping, and is no longer interested to any extent in procuring coal for transport, the State Governments should assume responsibility for the distribution of coal to their people.

MR. McWILLIAMS.—The States have not got ships; but the Commonwealth has.

MR. SPEAKER.—Answers to questions may not be debated. I would ask the right honorable gentleman not to reply to a series of questions asked by way of interjection. Such a course involves the

House in an irregular debate. If honorable members desire additional information, the proper course is for them to rise in their places and ask for it.

Sir JOSEPH COOK.—The honorable member for Franklin (Mr. McWilliams) has referred to a matter which is quite distinct from that with which I am now dealing. I shall make a more considered statement in the course of a day or two in regard to the whole subject. We shall be very glad to help the States, but I do not see why we should continue to take the sole responsibility for the distribution of the coal within the States now that the shipping control has been released. I shall bring these matters under the notice of the Coal Board, and I hope sincerely that relief may soon be given. I know what it is to be pinched for firing in winter.

EXPORT OF WHEAT.

Mr. RILEY.—In view of the threatened shortage of wheat in the coming season, will the Government take steps to prevent its export, so as to obviate the soaring of prices next season?

Mr. HUGHES.—So far as I can recall the circumstances as detailed at the last meeting of the Wheat Board, the facts are that there is comparatively little, if any, wheat available for export. An arrangement has been made with the Government of New South Wales to supply the shortage there, which is very considerable, and the shortage in Queensland, which, while perhaps not quite so acute, is also considerable. That leaves the body which has control of the whole of the wheat supply in Australia with little or no surplus. I think that is the position, but the honorable member for Echuca (Mr. Hill) will perhaps be able to correct me if I am wrong.

Mr. HILL.—We have a little left, but we are not endeavouring to get rid of it. We are holding it temporarily.

Mr. HUGHES.—The point is that we have very little.

Mr. HILL.—That is so.

PAPUA: OFFICIAL INQUIRY.

Mr. McWILLIAMS.—I desire to ask the Minister for Home and Territories whether the Government intend to hold an official inquiry into the dissatisfaction existing in Papua?

Mr. POYNTON.—No. I have not the slightest intention of directing an inquiry to be held. I know of no reason for an inquiry.

PUBLIC SERVICE SALARIES.

Mr. BLAKELEY.—In view of the fact that there were 600 resignations from the Public Service of the Commonwealth in 1917-18, 900 resignations in 1918-19, and over 1,600 during the first nine months of 1919-20, are the Government prepared to take steps to prevent this alarming exodus from the Service by providing for a living wage for public servants?

Mr. HUGHES.—It is the intention of the Government to introduce a Bill to amend the Public Service Act, and the whole question of the Public Service can be properly and carefully considered when that measure is before us. It is unfortunately true that a considerable number of persons in Australia who live on what may be termed a fixed wage have been most hardly hit by the depreciation in the value of money, and, since we expect, very properly, that our public servants, in seeking for redress, shall not have recourse to strikes or other methods opposed to the law, it is only right that this Parliament should see to it that their salaries are adequate. I appreciate the motive of the honorable member's question. I am in sympathy with the object he has in view, and shall do everything in my power to give the Parliament an early opportunity of dealing with the whole question.

AUSTRALIAN OIL REFINERY.

Mr. HIGGS.—Will the Prime Minister state whether the promoters of the Oil Refinery Company submitted to the Government any figures showing the approximate cost of the establishment of a refinery in Australia, the expected production of refined oil, and the anticipated profits on the sale and distribution of that oil? If so, will the House be given the benefit of that information before we resume the consideration of the Oil Agreement Bill?

Mr. HUGHES.—That information, and all matters incidental thereto, can be dealt with during the debate on the Bill, which is now first on the business-paper.

DROUGHT IN NEW SOUTH WALES.

ASSISTANCE TO FARMERS.

Mr. PARKER MOLONEY.—In view of the very great distress amongst settlers in the drought-stricken areas of New South Wales—and the drought is not confined to that State—and having regard also to the fact that the New South Wales Government have advanced £1,000,000 to relieve the distress, will the Acting Treasurer consider the desirableness and urgency of that assistance being supplemented by the Commonwealth?

Sir JOSEPH COOK.—I am afraid that the honorable member is submitting a very large proposition. There are State Governments other than the Government of New South Wales which I fear will be in the same predicament. If the honorable member will let me know exactly what he proposes, and what is being done in New South Wales, I shall be glad to consider the matter.

AUSTRALIAN INDEBTEDNESS TO BRITAIN.

Mr. ANSTEY.—It was stated in March last that there was some £23,000,000 owing to the British Government for which bonds had not been issued, and that immediate payment of a sum of £9,000,000, paid out by the British Government, was asked for, though it was not easy to meet the demand. In view of the statement which the Prime Minister made at the Commonwealth Bank in New South Wales, that we had something like £100,000,000 surplus credits in England—including some £40,000,000 in one lump already owing, and immediate credits authorized and accruing in the next few months on the extra wool sales, and so forth—is there any way to meet those obligations out of the surplus credits, and, if so, what necessity was there to send a representative to meet obligations which we had money to meet?

Mr. HUGHES.—The honorable member's question no doubt relates to a very important matter, and he has put it in a very simple and unintelligible way. I will content myself by saying that I do not think so.

Later:

Mr. ANSTEY.—I should like to address to the Acting Treasurer (Sir

Joseph Cook) a "simple and intelligible" question, to which I ask him to reply in the same manner. I wish to know whether the honorable gentleman is aware of any surplus credits to Australia in the banks in England? If he knows of any, to what extent do they exist? Is the question "simple," and also the other thing?

Sir JOSEPH COOK.—The question is perfectly simple.

Mr. ANSTEY.—And also?

Sir JOSEPH COOK.—The honorable member has had his answer quite three or four times.

Mr. ANSTEY.—From whom?

Sir JOSEPH COOK.—The Treasurer (Mr. Watt) has gone to London—

Mr. ANSTEY.—I want an answer from you.

Sir JOSEPH COOK.—The Treasurer has gone to London to deal with this matter, which is not so simple as the honorable member's question would make it appear.

COAL SHORTAGE.

Mr. CHARLTON.—Will the Prime Minister make available Commonwealth ships for the purpose of conveying coal from Newcastle to States which require it, in view of the need for supplies?

Mr. HUGHES.—I will see how many vessels can be made available for the purpose, and see that they are put on to the trade.

MAIL CONTRACTORS.

FODDER ALLOWANCE.

Mr. PARKER MOLONEY.—I desire to ask the Postmaster-General a question in regard to mail contractors in the several States. Scarcely a day passes that I do not get a letter from a mail contractor, whose contract dates over two or three years, at the beginning of which fodder was about one-third its present price. Under the circumstances many of the contractors are not able to carry on, and I wish to know whether the Postmaster-General proposes to give them any relief?

Mr. WISE.—We have already given very considerable relief to mail contractors, but if there is any very special case we are prepared to give it further consideration on its merits.

WAR GRATUITY.

Mr. RILEY.—I desire to draw the attention of the Minister representing the Minister for Repatriation to an advertisement in last night's *Herald*, informing returned soldiers and their dependants that gratuity forms may be "filled for them by a returned soldier at moderate rates." If it is necessary to obtain assistance in filling up these forms, why should not they be simplified, so that the men themselves may fill them up?

Mr. POYNTON.—I take it that this is a matter for the Treasury. I understand an answer was given to a question yesterday to the effect that arrangements have been made in the Department to assist the men in filling up the forms.

WHEAT.

AUSTRALIAN CONSUMPTION—GUARANTEE.

Mr. PROWSE.—Certain members of this House, and certain people of Australia, desire that sufficient wheat shall be held to meet the consumption of the Commonwealth. Will the Prime Minister take steps to induce the Wheat Pool to pay for the wheat that it has already received, and ordered for Australia's requirements, at about half the world's parity? In the meantime, wheat producers are receiving only about 5s. per bushel in cash, and the money is required for development work. If the wheat is purchased, it ought to be paid for.

Mr. HUGHES.—I do not know exactly to what wheat the honorable member refers. Does he mean the wheat that was sold to Britain?

Mr. PROWSE.—I mean, for instance, the wheat sold to meet the requirements of Victoria and New South Wales.

Mr. HUGHES.—All I have to say is that this is the business of the Wheat Board, and has nothing to do with me. The Wheat Board sold the wheat; let the Wheat Board get the money.

Mr. LAVELLE.—Seeing that the New South Wales Government have increased the guarantee to the wheat-growers of the State to 7s. 6d. per bushel for next season's wheat, will the Commonwealth Government increase the Federal guarantee to that amount, so that growers in other States may be placed on the same level?

Mr. HUGHES.—That is the same question the honorable member asked me

yesterday, and the answer I give him now is the answer I gave then, and it is quite a proper one. A different answer every day would never do. I said yesterday that the policy of the Government had been already announced, and I desire to say, in addition, and without prejudice, that the New South Wales Government no doubt—since the honorable member says so—have given this guarantee. The honorable member, however, does not say where the money is to come from; and I have no doubt that, ultimately, we shall find somebody coming along and asking us for money—that is what they all do. Whatever my honorable friend the Acting Treasurer (Sir Joseph Cook) may be, he is not a bottomless pit; and the long and short of it is that we must cut our clothes according to our cloth. We have no money; but I give the honorable member free permission to try his powers of persuasion, in any way he likes, on the Acting Treasurer. The honorable member is a powerful man, and if he can get the Treasurer to agree, there will be no opposition from me.

ADJOURNMENT (Formal).

MARKETING OF OVERSEA PRODUCTS.

Mr. SPEAKER (Hon. W. Elliot Johnson).—I have received an intimation from the honorable member for Wannon (Mr. Rodgers) that he desires to move the adjournment of the House to discuss a definite matter of urgent public importance, viz., "The future marketing, oversea, of Australian surplus products, including wool, wheat, meat, butter, &c."

Five honorable members having risen in their places,

Question proposed.

Mr. RODGERS (Wannon) [3.0].—I regret that the forms of the House limit the discussion of a subject of so wide a character to a very limited time. First of all, I shall briefly refresh the minds of honorable members as to the conditions under which the Commonwealth Government took charge during the war period of the sale of Australian products. There is no question that is to-day concerning the mind of the man on the land more than does the matter of the policy to be pursued in the future in regard to the disposal of our surplus products. Soon after the outbreak of war we learned how

dependent we were on British shipping, and the supremacy of the British Navy to see us through our difficulties. We could only carry on an overseas trade to the extent that Great Britain was able to make shipping available for us. The war struck us also in a year of drought, when we were compelled to import fodder and grain from America, which was done by an arrangement effected by the State Governments. Meanwhile the Commonwealth Government had taken the supreme power in this Parliament to do anything necessary to control the whole of the resources of the Commonwealth for the prosecution of the war. The year of drought was followed by a record harvest of 162,224,000 bushels of wheat, which had never before or has never since been approached; but by this time, as the shipping difficulty had become very acute, the Commonwealth Government put forward proposals for the exclusive control of shipping. Later on there was a collaboration between the Federal Government and the Governments of the wheat-producing States, which ultimately formed the nucleus of the present Wheat Pool, and became the basis upon which the whole of our Australian products have been controlled. The two outstanding figures in that movement were the then Minister for Agriculture in Victoria, the Hon. Fred Hagelthorn, and the present Prime Minister (Mr. Hughes). Following upon the formation of this Pool, the Prime Minister called upon the agents who had previously controlled the purchase, shipment, and sale abroad of Australian wheat to give up their private operations and devote their experience and organization to the task of enabling the Commonwealth Government to operate the newly formed Pool with success. These agents very magnanimously came to our aid. Without their experience it would have been absolutely impossible, at that stage, for any of the Australian Governments to carry on such a Pool, and I think that the country must not be altogether unmindful of, and ought to generously acknowledge, the fact that they surrendered their businesses in a truly rightful spirit, and came to the aid of the Commonwealth Government, devoting the best of their brains and their services to the necessities of the Commonwealth and the States.

So far the Australian Wheat Pool has controlled five harvests, the total amount

Mr. Rodgers.

of wheat handled being 503,216,000 bushels, or, in round figures, 13,500,000 tons. There has been distributed from the Pool £100,000,000. Its operations have been twofold in character; first, to cater for the whole of the requirements of Australia, and then to market and sell the surplus overseas. Australia's home consumption is 31,200,000 bushels of wheat. To have collective handling, selling, and management of its wheat was a novel experience for Australia; but, regarding it as something which the emergencies of the war rendered necessary, I think that, on the whole, it was an excellent conception on the part of the two gentlemen primarily responsible for it. I regret that one of them, the Hon. Fred Hagelthorn, has been turned out of public life in this country. No man gave his best to the services of his fellows more generously than did he, who was the central figure in the foundation of the Australian Wheat Pool. I knew him very well many years ago. He comes from the district in which I live. I know that he gave thoroughly *bonâ fide* service to the country in this matter. He kept politics out of it, and put his best into the work as a good Australian.

At this stage, eighteen months after the signing of the armistice, we have to consider our future policy. I quite agree with the honorable member for Echuca (Mr. Hill) that it is of the utmost importance to the farming, commercial, and financial communities that they should know at once the policy of the Government with regard to the future control of Australian wheat. The honorable member for Swan (Mr. Prowse) gave us a statement the other day as to the parities on the other side of the world, but made no reference to the quantities of wheat raised in other countries, and in order that the matter may be viewed in its proper perspective, I desire to place on record the average production for five years of the chief wheat-growing countries of the world. They are as follow:—

Russia,	817,000,000 bushels.
United States of America,	685,000,000 bushels.
India,	350,000,000 bushels.
France,	317,000,000 bushels.
Austria-Hungary,	232,000,000 bushels.
Canada,	197,000,000 bushels.
Italy,	188,000,000 bushels.
Germany,	152,000,000 bushels.
Argentina,	143,000,000 bushels.
Australia,	91,000,000 bushels.

If Russia recovers her soul and undertakes the development of her wheat belts she can supply as much wheat as all the other countries combined. Russia is the great factor in wheat production. That country and the United States of America, between them, produce practically half of the world's wheat supply. I come now to the point in which the wheat-growers are vitally concerned. What are the proposals for the future marketing of wheat? I do not necessarily mean the proposals of the present Government, because, primarily, this is not a function of the Commonwealth Government. The Wheat Pool was a war activity, well conceived and well controlled, although there may have been defects in administrative details. But taking it by and large the great Australian Wheat Pool, handling 503,216,000 bushels, and distributing approximately £100,000,000, has done a mighty service to this country. It was our paramount duty to keep the industries of the country going in spite of the war. We had no precedent in history to guide us as to the control of primary products in time of war, and those who make administrative details a ground for the condemnation of individuals or Governments do not look at a big question in a true light. I can see only three reasons why the Government should have anything further to do with the Australian Wheat Pool—(1) the condition of the world's shipping; (2) the announcement by the Imperial Government of their intention to handle wheat for a further year; and, (3) the obligations which the Commonwealth and States have entered into in regard to guaranteeing the next harvest. The question which has been twice asked by the honorable member for Calare (Mr. Lavelle) is of no consequence to the Australian grower to-day. The world's price to-day is a sufficient inducement to any farmer to grow wheat night and day. What the guarantee may be is beside the question. Wheat is worth 12s. 6d. f.o.b., as a minimum for supply to the islands and ships' holds, and if it could be sold to other countries it would be worth more. Therefore, the question of existing guarantees, or of the guarantee given by the State Government of New South Wales, is of no importance. The latter, in my judgment, will not be as good a stimulus as

is the world's parity. The guarantee given by the Commonwealth is the only factor that compels it to remain in the Wheat Pool. In time of peace the handling of agriculture is primarily the responsibility of the States, and the Commonwealth Government, therefore, would be well advised to drop out of the management of the Australian Wheat Pool.

Mr. PROWSE.—The honorable member is advocating the middleman's cause.

Mr. RODGERS.—I do not want that sort of cheap nonsense from the honorable member. I have no interest in this country except in land. I have not a brass farthing invested in any business in Australia. Why, then, should I be interested in the middleman? Cheap clap-trap, like the interjection which came from the honorable member, has won for some men in this House a recognition that otherwise they would never have got.

I come now to one phase of the question in which the honorable member for Echuca (Mr. Hill) is interested. He stated in the House a few days ago that the Prime Minister had been responsible for the sale of a large quantity of Australian wheat without any authority from the Board, and at an unauthorized price. The answer of the Prime Minister spoke for itself, but there is a very sharp and serious conflict between the testimonies of the two gentlemen, and the farmers will not be content to allow the facts to remain in dispute in that way. The Prime Minister made a clear and definite statement, and appeared to have the records of the Wheat Pool to justify his defence, but this is a matter which the two honorable gentlemen must thresh out between them. The honorable member for Echuca charged the Prime Minister with having made a bargain that represented a loss to the Australian wheat-grower of many millions of pounds. I pointed out the other day that he himself was a party to a bargain for the sale of the home requirements of wheat at 7s. 8d. per bushel. In round figures the annual home consumption is 31,200,000 bushels. Eleven months of the year had to be provided for, representing approximately 28,000,000 bushels. The Prime Minister said that had the honorable member for Echuca been content to wait until the Wheat Board had ascertained what the world's parity was at that time, the Australian wheat-grower could have obtained

that parity. The world's parity was found to be 8s. 4½d. f.o.b., and the difference between that and the fixed price of 7s. 8d., after allowing ½d. for the expenses f.o.b., represented a loss to the Australian producer through the Board's arrangement of, roughly, £933,000. No authority had been given to the farmers' representatives on the Wheat Board to sell wheat for twelve months at any price below the world's parity. That parity to-day is 12s. 6d. per bushel, so that on the home consumption of 28,000,000 bushels for the eleven months the primary producers sustained a loss of £7,000,000. When it is not necessary to continue the Australian Wheat Board, why should anybody desire to retain control of the farmers' business? The Government proposals in regard to the future have not yet been announced. Some farmers have submitted a proposal to the Prime Minister which the honorable member for Swan (Mr. Prowse) described as a proposal for a "voluntary compulsory pool." The term is an apt one. The pool is to be voluntary for those who want it, and compulsory for those who do not. To-day, when the war is over, are we to continue a policy that will abrogate the principle of private contract, and destroy the right of private property in goods, so that those goods may be made the subject of pool handling against the will of those who own them? The statement has recently been made in Great Britain by the Financial Secretary that that country made a profit of £150,000,000 out of Australian primary products, apart from wool, and I think that the Australian producer to-day feels that the sooner he can get control of his own business the better. I do not blame any individual member of the Government, nor any individual member of the Australian Wheat Board, for what has happened. No one can be a prophet in these days. When the Prime Minister sold our wheat to the British Government, I thought that the transaction was an excellent one, and I thought the same thing of the arrangement for the sale of our wool. At the time the contracts were excellent. The honorable member for Echuca (Mr. Hill) thought that by selling our wheat at 7s. 8d. he was doing a good thing for the Australian farmers.

Mr. HILL.—It was the best I could get.
Mr. Rodgers.

Mr. RODGERS.—On to-day's parity there is a loss of £7,000,000. What right has any one to gamble with the property of other persons? Dealing in wheat has always been pure gambling. In ordinary times, about the month of August, the buyers and exporters of wheat start to "spec" charter vessels, and to "spec" in wheat, the object being to so organize the shipping of the world as to get it to our ports just when the wheat arrives there from the harvest fields. Is any one prepared to-day to say what will be the price of our coming wheat crop in the world's markets? The whole business of wheat dealing is highly technical, and success in it comes only with perfect world-wide shipping arrangements and a thorough knowledge of conditions. Did I think a compulsory Pool in the interests of the farmers, I would give the proposal the fullest consideration; but in their zeal for co-operation some men are advancing to the very threshold of Socialism. They seek to use the organization of the Government and its financial resources for the handling of the wheat, but the experiment is a dangerous one, because, while this Government may have at heart the welfare of the producer, tomorrow there may be in power another Government which will think more of some other section of the community, and will operate the Pool in a manner that will not benefit the producer.

I come now to the Wool Pool. When war broke out, the Government called to its aid the best brains in Australia having the necessary technical knowledge, to help it in handling the Australian wool clip, and we are under a debt of gratitude to those who for so long have voluntarily served as members of the Central Wool Committee. That Committee handled two-thirds of the 1915-16 clip, and it has handled the four following clips. Altogether, it has dealt with 6,851,485 bales of wool, and has distributed to our growers £150,000,000. The members of the Committee have made no charge for their services and experience, and the wool-growers and the community generally should be grateful to them. The Committee's work will terminate on the 30th June next, and it has been estimated that before that time another 200,000 bales of wool will be appraised and handled. When the wool control has

ceased, it will be for the country to determine how our wool is to be marketed. Yesterday, I asked a question without notice, to which I received a captious answer from the Prime Minister. There has appeared in the London and Australian newspapers a crude outline of a scheme for the control of future clips. If it does not contain the proposals of the Government, I regret that it has appeared, because its publication will prejudice those real proposals when they do appear. From the statement to which I refer, it would seem that the co-operation of the British Government is desired in an endeavour to sell a certain standard of wool at more than its present market value. I and all other wool-growers want to get the world's price for wool. In my opinion there is a real and grave danger of a collapse in wool. I have been watching the position carefully, and I am afraid that, owing to the accumulation of stocks on the other side, and the high prices that have prevailed, there may be a fall in values when the new clip arrives.

MR. JAMES PAGE.—For goodness' sake, do not start calamity howling!

MR. RODGERS.—I think that a member should be allowed to express his views without being subjected to an interjection of that kind. It is difficult for the Governments concerned to maintain the stability of the market, and for that reason I am sorry that the proposals to which I have referred were given publicity. I attach no blame to the Prime Minister for the occurrence, but it is a misfortune for the Australian growers and for those on the other side with whom they have to make arrangements. I hope that within the next few months Australia will again be the great selling market of the world, and that we shall again have here, as in the past, international competition which will give us legitimate prices for our wool. For five years the Government have taken off the shoulders of private individuals the responsibility for financing, transporting, and marketing our great primary products, and the fear I have to-day is that private enterprise may not be able to secure sufficient shipping, or to make adequate financial arrangements for the marketing of those products.

MR. SPEAKER.—The honorable member's time has expired.

MR. RODGERS.—I have grave fears in regard to that matter. But for them, I would say that the control of both wheat and wool will be best left to private enterprise.

MR. PROWSE (Swan) [3.32].—I do not know that the growers of wool and of wheat will thank the honorable member for Wannon (Mr. Rodgers) for having moved the adjournment this afternoon. He has certainly not expressed the views of the majority of the growers. Representatives of the wool-growers, small and big, have been meeting in Melbourne for the last fortnight to consider how wool should be sold in the future. They will give full consideration to the suggestions of the Prime Minister, which are not suggestions of this House, and will endeavour to ascertain from every grower in Australia what his opinion upon them is. Should the growers decide that that is advisable in the interests of the Commonwealth and in their own interests, the suggestions may be adopted. But they are only suggestions, and are not being forced on the growers. If those who are considering these matters want the assistance of the honorable member for Wannon (Mr. Rodgers) or myself, they will, doubtless, ask for it. When I interjected that the honorable member was advocating the cause of the middleman, I did not wish to offend him, though I must insist that his speech was in the interests of the middlemen. The war has changed many things, systems and views, and we should take advantage of any changes that may help us. We believe that the wheat of Australia can with great advantage be pooled. It has been sold to the Australian consumer at 7s. 8d. per bushel. Of that 7s. 8d., the grower has received 5s. I would remind the Prime Minister that, while credits have been built up in London, credits are also built up on the farms, and we cannot endure the position too long.

MR. HUGHES.—This has nothing to do with me. It relates to the wheat of Victorian farmers. I am not a Victorian farmer.

MR. PROWSE.—The parity price to-day is about 14s. 6d. f.o.b. When I dealt with this subject last week, I said I was not speaking acrimoniously; but I want the House to understand to-day that 14s. 6d. wheat is being sold to Australian

bread-eaters at 7s. 8d. per bushel, and that we have not yet been paid for it. What we are now asking is that we should have the handling of our own wheat. After five years' experience in the co-operative handling of wheat—

Mr. ROBERT COOK.—And we have paid for the experience.

Mr. PROWSE.—We have paid for experience. We have the necessary machinery. We have weaned the middleman, and we find that we can do without him. We are, therefore, asking, not that the Government, but that the farmers themselves should control their own products.

Mr. HUGHES.—Hear, hear!

Mr. PROWSE.—The Prime Minister has acclaimed that proposal, and I think he believes in it. The honorable member for Wannon (Mr. Rodgers), however, has suggested that we should be given our "five bob" per bushel, and allowed to get back to the old channels. If we broke off so suddenly, we should be at once thrown into the hands of the middlemen. We desire to take a referendum of the farmers, to ascertain whether they are agreeable so to pool their interests that, while protecting, as the honorable member for South Sydney (Mr. Riley) has suggested, the necessary consumption of the Australian people, they would, at the same time, be able to secure the highest price for their products. I cannot conceive of any honorable member objecting to such organization on the part of the farmers. We are in an era of organization. We find the merchants in their various lines of trade organized to protect their own interests. The workers are also organized for the same purpose. Why should not the producers organize to protect their interests?

Mr. RODGERS.—Who objects to that?

Mr. PROWSE.—The honorable member suggested that when we got away from the Pool, for which we have paid, we should return to the old channels. As a matter of fact, we desire to avoid the old channels. We want to get into modern channels.

Mr. RODGERS.—We will give you a chance to prove yourselves.

Mr. PROWSE.—We are told that those responsible for the conduct of the wheat handling in the past have given great service. They have done legitimate business, but they are,

nevertheless, middlemen, and middlemen, we have been told, are parasites. If we did without the parasites we should be able to reach the consumer with our products far more cheaply than before. I do not use the term offensively. I think the Prime Minister has used it more than once.

Mr. HUGHES.—Did the honorable member speak of Pharisees?

Mr. PROWSE.—No! The term, "Pharisees," might be applied in other directions. We feel that there can be no reasonable objection to our proposal unless this parasitical influence is to outweigh us and prevail with the House. What we are asking is that when the farmers themselves agree to pool their interests legal sanction shall be given to the scheme. Our desire is that the farmers shall control their own interests, while at the same time protecting the food interests of the Commonwealth.

Mr. RODGERS.—No legal sanction is necessary if the farmers can be got together.

Mr. PROWSE.—There are many parasites who will try to bring influence to bear, and from what I have heard to-day they will succeed in some directions.

In Western Australia we require butter from this State; New South Wales and Queensland need chaff from Western Australia; and Victoria and several other States require coal from New South Wales. The devising of some means for this necessary interchange of commodities between the several States is all-important, and should receive the first attention of the House. I have asked on previous occasions that something should be done in this direction, and have been told, of course, that "the matter is being looked into." I recognise the difficulty in the way of obtaining the requisite shipping. The honorable member for Hunter (Mr. Charlton) to-day asked the Prime Minister to arrange for the utilization of Commonwealth steamers in carrying coal to the several States, and the right honorable gentleman promised to look into that matter. I hope that when he does he will also arrange for three or four additional steamers to be placed on the Inter-State trade for the carriage of produce, so as to prevent sheep and cattle

starving in the drought-stricken States, and to keep up the necessary dairy herds there. There will be further opportunity to deal with this subject after the referendum of the farmers of Australia has been taken. By that vote we shall ascertain what is the intention of the farmers with regard to their products, and pending their decision I shall say no more on the subject.

MR. RICHARD FOSTER (Wakefield) [3.42].—I do not intend to occupy the attention of the House for many minutes, since I should like to have from the Prime Minister (Mr. Hughes) a pronouncement in regard to the wheat question, and also with regard to wool, if he is in a position to enlighten us on the subject to-day. Under existing conditions, I should be well pleased if we could at once get back into the old channels. The Prime Minister has given the wheat farmers a guarantee, but the situation to-day is such that it matters very little whether our wheat is pooled or not. We are in the happy position that our wheat is wanted, and wanted at a big price, by other countries, and I hope that the price, when obtained, will go into the pockets of the wheat-growers themselves. I am not going to speak for South Australia, because at this juncture the State Government should speak for its own people. I desire, however, to tell the honorable member for Swan (Mr. Prowse) that his views with regard to co-operation are by no means approved in South Australia. I cannot understand why honorable members of the Country party, who believe in freedom of contract, and recognise that efficient handling is necessary to bring about economy, should advocate compulsory co-operation, which would cut off all the spurs of private enterprise, by which alone the value of co-operation can be tested. In South Australia we have a farmers' organization that handles more than one-half of the wheat grown in that State in normal times. It is a magnificent co-operative organization, but I would not give two straws for it if it were compulsory that all wheat should be handled by it. That would be no better than Government control. No impetus would be given to good work, and the organization would drift into a lethargic state, to the detriment of the farmers. I speak with thirty-five years'

experience of this matter, and while I approve of the organization of farmers, I contend that the value of such co-operative efforts should be tested side by side with private enterprise.

MR. PROWSE.—Why was pooling not made optional during the war?

MR. RICHARD FOSTER.—I wish my honorable friend were a little more logical, because I have not the time to set him right. In South Australia we have had a very painful experience of the handling of the grain of the country by amateurs. That experience has not been confined to my State. The handling of the wheat of Victoria has been better than that of any other State, because the management has been in the hands of, not a farmer, but a big business man with a good grip of big things. It is due to that reason that Victorian wheat scrip has been worth a great deal more than the wheat scrip of the other States. The honorable member for Swan has talked in a child-like and simple way about the middleman. We should not forget that in speaking about the middlemen we are talking about private enterprise, which has made this country, and the Empire as a whole, what it is to-day.

In South Australia the much-abused middlemen—abused by simpletons who do not think—have throughout set the price of wheat, even against our own farmers' organization. If this compulsory wheat pool which honorable members of the Country party advocate—if this stupid thing without any reason behind it—were brought into existence, men with brains would give up wheat-growing. They would not be prepared to grow wheat to be handled by amateurs who know nothing about the business. Wheat is the most risky and most difficult of all products to handle. Experience has taught us that.

MR. RILEY.—The same thing was said in regard to banking, but the Commonwealth Bank has been a success.

MR. RICHARD FOSTER.—I wish my honorable friend would compare like with like.

MR. RODGERS.—Perhaps my honorable friend thinks that, after all, this is a conflict between two sets of middlemen.

MR. RICHARD FOSTER.—I really cannot reckon up my honorable friends of the Country party.

Mr. HILL.—We can reckon you up.

Mr. RICHARD FOSTER.—My honorable friends of the Country party in this matter represent only the men who do not think for themselves.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [3.50].—I shall hardly be expected to cover the whole of the ground traversed by my honorable friend, the member for Wannon (Mr. Rodgers), or deal with all the points raised by the honorable member for Swan (Mr. Prowse), and touched on in such an effective fashion by my honorable friend, the member for Wakefield (Mr. Richard Foster). I do not propose for one moment to resurrect the debate—unhappily, I was unable to take part in it—in which the honorable member for Echuca (Mr. Hill) last Friday discussed the question of the Wheat Pool. I am content to let my work in connexion with the Wheat Pool speak for itself. I look back on the five years or so in which I was connected with the Wheat Board with mixed feelings. I am sure the Pool did great work. I am equally sure that it involved very strenuous labour. I want no more of it. If this table were piled to the ceiling with jewels precious beyond price, and I were asked to do that work again for five years for those jewels, I would not do it. So far as I am concerned, then, the position is vacant. Applicants who clamour for selection need fear no rivalry from me. When members rise in this House and say they think that the Government, now the war is over, should no longer control these Pools, I am very heartily in accord with them. Not only because my reason prompts me in that direction, but also because I know very well that if the Government has anything to do with the business, I shall be given the job—and I am not going to take it.

Honorable members talk about managing the wheat business either by co-operative or other means, as if it was the simplest thing in the world. They talk as if men capable of running this great wheat business of Australia, or any other great businesses, were plentiful; and men who, although they have failed dismally in transactions one-millionth part of its magnitude, push themselves forward with perfect assurance. If the farmers of this country think that in that way lies

salvation, the case is simple; all that has to be done is to convert those concerned to that opinion; let them place the business in such hands, and put up with the consequences. I have been censured because I would not compel the farmers to put their wheat into the hands of men who said they were more competent to manage the farmers' business than were the farmers themselves. If there is to be compulsion, it can only be compulsion exercised by those constitutional authorities which the people have deliberately elected to represent them; and as, by general consent, it is agreed that this is undesirable, the matter settles itself, for I, at any rate, will be no party to compelling men to hand over their own businesses to the hands of other men. It appears to me that there is only one of two courses—indeed, there is only one course—open. If those concerned believe in co-operation—as certainly I do—let them convert their people. There are many virtues in co-operation, but I do not quite understand what is meant by a “voluntary compulsory” pool. I remember on one occasion going down to a wharf in Sydney and seeing a gentleman fished out of the water with a boat-hook. I said to one of my friends in the union, “How did he get into the water, Bill?” and Bill replied, “We put him there because he would not join the b—— union.” In fact, what the growers say to me is, “They will not come into our co-operative society—you jolly well make 'em.” I am not going to do that. I must not be held for one moment to censure those who say that the co-operative movement is the way in which the farmers can best find salvation. I believe that it is, and I am ready, as a citizen, as well as Prime Minister, to advocate co-operation along with any man in the country. But I will not compel people to co-operate. I will show that co-operation will pay them, and that the middleman is no friend of theirs. and cannot be; I will show all that, but I will not by law compel people to join a co-operative union.

Now I wish to say a word as to the marketing of our products. My honorable friend, the member for Wakefield (Mr. Richard Foster) as well as the honorable member for Wannon (Mr. Rodgers), though in different degrees, express the same doubt as to the possibility

of marketing our products. Now, there are grave reasons for the doubt that disturbs their minds—grave reasons. It is true, as both those honorable gentlemen said, that, while wheat is now, say, 12s. 6d. f.o.b., there is ample inducement to the grower. But it is one thing to grow wheat, and another thing to get it to the place where it can be sold. When we speak of affairs resuming their normal channels—going back to pre-war conditions—we overlook completely the fact that the world is still in convulsions, that for all practical purposes—and this applies to wool as well as to wheat—there are only one or two effective buyers; that is to say, only one or two buyers who have money. I ask the wool and wheat-growers of Australia, as sensible, hard-headed, business men, whether they would go to a market where there was only one buyer. If they do, what must be the result?

There is division of opinion as to the best way to market wool. I feel very strongly that the future of Australia—indeed, the present welfare of Australia—depends on the wheat and wool-grower getting the full market price for their products. Recently I ventured to give my advice, for what it was worth, to the representatives of the wool-growers. I made it perfectly clear that it was only advice—that it was my own opinion—and that if they rejected it there was an end of the matter. My suggestions did not depend on compulsion, they had nothing to do with compulsion. Speaking now, after having had something like a fortnight to consider still further the matter, and having had the advantage of reading those lucubrations which appeared in the press, and which, for want of a better term, may be alluded to as criticisms, I still say that, if the wool-grower goes into the market without a plan, he is going to come out shorn.

I noticed to-day in the newspapers two or three significant paragraphs. One was an extract, I think, from the *Manchester Guardian*—though I may be wrong; another was from Yorkshire, and another was the opinion of Sir Arthur Goldfinch. All these critics were against my proposal, a proposal which, in its essence, is one to sell Australian wool in Australia. Why were they against my proposal? Because it was a bad thing for Australia? Not at all. It was because it

was a bad thing for them and the interests they stand for. I ask the growers whether, if they had anything to sell, they would take it into the house of the only buyer, and say to him, "There is my product; what will you give me for it?" That, in effect, is what would be the result if they send their wool to London. I say to the Australian grower that there is no compulsion; he may do as he pleases. If he likes to go and deliver himself, bound hand and foot, into a market manipulated by conflicting interests, let him do it. My proposal has nothing to do with the Government, *qua* Government. It does not depend upon or involve compulsion. But if they will act as sensible men, they will say, "The world must have this wool. Get those who want it to come to Australia, and buy it in open competition."

It has been said that the British Government might not agree to hold off while we sold our wool here; and that argument was put forward as a reason against my proposal. I think that those who put it forward did so with the fervent hope that the British Government would not hold off, so that we might be compelled to send all the wool Home.

My last advice to the wool-grower of Australia is to sell his wool here in Australia. Make buyers come to this country and buy in open market, at auction, and thus insure the world's price, whatever it is. If you watch the market—and I say this deliberately—do not be surprised to see from now to the 30th June the beginning of a downward curve. Who will be responsible for that curve? The prospective buyers—the men who want to create a panic in Australia by creating the impression in the mind of the grower that the market is going to break, and thus causing the wool to be rushed Home, where it would all be in the hands of one buyer. The whole world is clamouring for wool. But in the whole world there are only two, or at most three, effective buyers of wool. The rest of the world will have to use one of those buyers as middleman, and purchase its wool from him. I say, "Sell direct—sell in this place, in Australia—and sell for the best price you can get; the Government will not interfere at all." But the Government will do this, if it is desired—and I am addressing the wool-growers of Australia

through honorable members here—the Government will request the British Government to do what it ought to do, namely, refrain from selling the wool it now has while we are selling the new clip. That is a perfectly fair and legitimate request. Britain had our wool during all the war for very much less than, in some cases, for only one-third of the true value; and we have not received one penny-piece of the excess prices. Nor can we get any account of how much is owing to us. There is not an indication as to whether it is £1,000,000 or £50,000,000. I maintain that this is neither business nor fair play. I say to the wool-growers of Australia, "Make up your minds to sell your wool in Australia. Notify the world that you will sell your wool in Australia, and whatever the world may say before you have made that notification, once you have made it, it must fall in with your resolution. Request the British Government to keep off the sales, and there is an end of the matter."

Mr. GREGORY (Dampier) [4.6].—Time is passing, and the position is becoming somewhat acute. It is quite time some announcement was made as to the policy of the Government with regard to the intervening period between war restrictions and normal conditions of trade. There has been too much secrecy. I do not like the idea of getting from some outside journal information as to the proposals of the Government with regard to Australia's products. About a month ago, during my absence in Western Australia, a letter was forwarded to me by a member of the Legislative Council in that State asking me if it was true that the Commonwealth Government proposed to take £10,000,000 of the wool-growers' money for the purpose of helping to pay Australia's debt to Great Britain. If I had received that letter I would not have taken much notice of it other than to reply at once, saying there was no truth in the suggestion; but as I was absent my typist sent the communication to the office of the Prime Minister, and that Department furnished a reply saying that there was not a word of truth in the statement. Apparently that reply from the Prime Minister's Department was quite wrong, because we now see in the press that the Prime

Minister has made a suggestion on the lines set out in the letter forwarded to me from Western Australia, and we know perfectly well what a suggestion from the Prime Minister means. At the last moment we shall probably find ourselves confronted with a proposal from the Government to take certain measures. In fact, many measures are taken by the Prime Minister without consulting Parliament. While I am always ready to submit to any action taken by this Parliament, if the majority decide that it shall be done, I am not content that the Prime Minister, or any one else, should issue instructions restricting the trade of the country, unless what he does has the approval of Parliament. The other day I asked a question with regard to the action of the Australian Metal Exchange in refusing a permit to export some old horse-shoes as ballast. Certain people who export sandal-wood have been accustomed to buy up old horse-shoes and ship them as ballast. They wished to do so again, but this metal exchange, which has no statutory authority, abrogated the duties of the Minister for Trade and Customs, and refused to grant a permit for the export of these goods. There are many instances in which the Government have taken powers under the War Precautions Act, which prejudice our trade. This Parliament has been fooled. When we agreed to extend the operation of that Act until three months after the proclamation of peace, we were led to believe that it would cease to operate three months after peace was signed with Germany, but we are still controlled by it. We are getting close up to the end of the financial year, and we ought to have some clear indication as to what action the Government propose to ask Parliament to take in regard to the future control of our products. Something must be done to enable us to bridge over the intervening period until we get back to normal conditions. According to a member of the Wool Committee who has just come over from Western Australia we have been travelling on a very dangerous road, and have now come to a precipice down which it is necessary to make a very gradual descent. The object of this gentleman's visit to Melbourne was to ask that certain control should be exercised by the Commonwealth in connexion with the wool export for

next year, in order to enable the wool-growers to get back to the normal conditions which existed prior to the outbreak of war. I am not anxious to see a proposition sprung on them as a surprise, and I object most strongly to the secrecy which is being observed in these negotiations. The products we are dealing with are not the property of a few. They belong to the people, and surely no harm can result from giving the negotiations the fullest publicity, because the more we know of them the more we can make inquiries from those who have a better knowledge of the conditions than ourselves, and the more good we are likely to do for the general producer.

According to the preamble of the Victorian Statute which created the Wheat Pool, an agreement had been arrived at between the Prime Minister of the Commonwealth and the Ministers of Agriculture of the four wheat-producing States to pay the producer the world's parity; but the farmers have not received the world's parity. In the early stages of the war, when the wharf labourers went out on strike, demanding cheaper wheat for our people here, the Commonwealth Government reduced the price to 4s. 9d. per bushel, when the world's parity was 5s. 2d. per bushel; in other words, the producers were robbed to quieten a section of the people. There seems to be extraordinary difficulty in arriving at what is the world's parity. The other day, on almost unimpeachable authority, I was told that the price of wheat in the Argentine Republic is 13s. 6d. per bushel, and that the producers there have 5,000,000 tons of wheat and maize they anticipate getting away to Europe. They have no difficulty in securing freight.

Mr. RICHARD FOSTER.—Our trouble is that we cannot get the shipping. Admiral Clarkson says that he has tried his best, but cannot get charters.

Mr. McWILLIAMS.—Then how is it that Dreyfus and Company can get shipping?

Mr. GREGORY.—The trouble is that in dealing with products such as wheat, there are people who have made a life study of the business, and understand the whole of its ramifications. They can make their charters years ahead. Vessels may be north of Russia or south of America, but all their movements are known to those in control of these busi-

nesses, and they are able to make all necessary arrangements months, if not years, ahead.

Mr. MATHEWS.—Did they know the movements of these vessels during the last four or five years?

Mr. GREGORY.—No. But Mr. Clement Giles made the statement here that 1,000,000 tons of shipping was offered to the Commonwealth Government in the early stages of the war, and the offer was not accepted. However, I am not reflecting on the Government. I am sure they want to get rid of this control of commodities. The life of a member of Parliament who has tried to do his duty conscientiously during the last four or five years has been a most strenuous one. I shall be glad when all these difficulties are taken off my shoulders. I know what it means to Ministers when honorable members come to them with complaints from this person and that company, and so on.

Sir JOSEPH COOK.—And "getting it in the neck" every day from the press.

Mr. GREGORY.—I know the difficulties of Ministers. My only hit back at the Minister for the Navy is that he is allowing his Government to continue to carry on the system adopted during the war. I want to get out of it.

Sir JOSEPH COOK.—It is not so easy to get out of it.

Mr. GREGORY.—I know it is not easy to do so, but the Prime Minister seems only too ready to lead the Government into many curious and devious paths. I spoke just now about the world's parity. We ought to give the farmer the world's parity for what he produces. If we find that the price is too high for the general consumer, the people, as a whole should still pay the world's parity to the producer, and dispose of the commodity to the consumer at a lower price. Any man will sell his labour or his goods in the best market he can obtain. It is only fair that the producer should get the best market price for his goods; but if it should be found that this would mean a hardship to the workers generally, let the community pay the difference if they are anxious to supply the people with a cheaper loaf.

Mr. FENTON.—What would the honorable member do if the world's parity for wheat was so low that it would not pay the farmer to grow it?

Mr. GREGORY.—When the world's parity for wheat was low, the farmer had no option. He had to take it.

Mr. FENTON.—I would give him a fair price all through.

Mr. GREGORY.—The honorable member has been a long time in this Parliament, and the price of wheat has often been very low, but we have not heard any proposition from that source on the lines which the honorable member now advocates.

Mr. MATHEWS.—This Parliament could only control the matter under the War Precautions Act.

Mr. GREGORY.—The Labour Government was in power when the War Precautions Act was operating. The National Federation recently issued a booklet in regard to the price of wheat in order to show how well the Government had safeguarded the interests of the farmers, and in that publication the claim was made that, between June, 1919, and October, 1919, the world's parity for wheat was only 2s. 9d. per bushel. As the farmers of Australia were being paid 5s. 6d. per bushel, they must have been getting 2s. 9d. per bushel more than the world's parity. We ought to have the truth about these matters. It was an injustice to the people generally if, when the world's parity for wheat was only 2s. 9d. per bushel—I do not believe it—the farmer was receiving 5s. 6d. per bushel.

Mr. MATHEWS.—I think it is a misstatement. To what year do those figures apply?

Mr. GREGORY.—The year 1919.

Mr. TUDOR.—The statement is surely wrong.

Mr. GREGORY.—The circular states that from June till October the London price varied from 10s. 3d. to 9s. 1d., and that the approximate average price was 9s. 9d. Freight and other charges accounted for 7s., leaving a net price of 2s. 9d. It is remarkable if in less than one year the world's parity has jumped from 2s. 9d. to 12s. 6d. per bushel.

Mr. SPEAKER.—The honorable member's time has expired.

Mr. GREGORY.—In conclusion, I contend that more publicity should be given to these transactions, and that the primary producer should get the world's parity for his goods.

Question resolved in the negative.

PRINCE OF WALES' VISIT.

HOLIDAY PAY.

Mr. MATHEWS asked the Prime Minister, *upon notice*—

Whether it is the intention of the Government to pay all the employees of the Commonwealth for the holidays they receive during the visit of His Royal Highness the Prince of Wales?

Sir JOSEPH COOK (for Mr. HUGHES).—An announcement regarding this matter will shortly be made.

NAVAL COAL SUPPLIES.

Mr. CHARLTON asked the Minister for the Navy, *upon notice*—

Will he supply the following information:—

1. The quantity of coal purchased in Great Britain and New Zealand during this financial year for naval purposes?

2. The price paid per ton at the place of purchase?

3. The total cost per ton when landed?

4. The places of discharge in Australia?

Sir JOSEPH COOK.—The answers to the honorable member's questions are—

1. It is not in the public interest to give this information. Approximately, equal amounts of Welsh and Westport coal have been purchased.

2. Welsh coal average shipments, 55s. 4d. per ton f.o.b. and wharfage; Westport coal, average shipments, 22s. 8d. per ton f.o.b.

3. Average Welsh coal, 80s. 3½d. per ton; Westport coal, average, 52s. 10d. per ton.

4. It is not in the public interest to supply this information.

COMMONWEALTH POLICE FORCE.

Mr. MATHEWS (for Mr. MAHONY) asked the Prime Minister, *upon notice*—

1. As he has stated that the Commonwealth Police Force is in course of being disbanded, does he say that all men appointed to that force have been given notice of termination of employment?

2. If there are any men who have not been given such notice, what is the intention in regard to them?

3. In what capacity are their services being utilized at present?

Sir JOSEPH COOK (for Mr. HUGHES).—The answers to the honorable member's questions are as follow:—

1. Yes.

2 and 3. See answer to No. 1.

PUBLIC SERVICE SALARIES.

Mr. FENTON (for Dr. MALONEY) asked the Prime Minister, *upon notice*—

Will he inform the House what is the number of officials in the Commonwealth and Defence service severally for the financial year

ending 30th June, 1919, who received annually in salaries and allowances (a) above £600 up to £750; (b) above £750 up to £1,000; (c) above £1,000 up to £1,250; (d) above £1,250 up to £1,500; (e) above £1,500 up to £2,000; (f) above £2,000 up to £3,000; (g) above £3,000 and upwards?

Sir JOSEPH COOK (for Mr. HUGHES).—The information asked for by the honorable member will be laid on the table of the House as soon as possible.

ANGLO-JAPANESE ALLIANCE.

Mr. MAHONY (for Mr. WEST) asked the Prime Minister, *upon notice*—

With reference to the statement in the daily press that the advice of Australia, New Zealand, and Canada will be sought before Great Britain renews her alliance with Japan, whether Parliament will be made aware of the terms and conditions of such alliance, or will they be kept secret?

Sir JOSEPH COOK (for Mr. HUGHES).—The alliance, if renewed, will be between Great Britain and Japan. I am unable to say whether the terms will be made public.

COMMONWEALTH STOCKS.

Mr. FENTON asked the Acting Treasurer, *upon notice*—

1. Whether he has noticed that considerable transactions have taken place on the various Australian Stock Exchanges in connexion with Commonwealth stocks?

2. Can he inform the House whether these transactions are leading to the concentration of these bonds and debentures in few hands?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follow:—

1. There is a free exchange in these securities at present, but the transactions cannot be considered abnormal.

2. There is no evidence that these transactions are leading to the concentration of the stock and bonds in a few hands.

PLATINUM.

Mr. LAVELLE asked the Prime Minister, *upon notice*—

1. In view of the impossibility of finding a market for platinum at a remunerative price in Australia, will the Prime Minister inform the House if there is any restriction on the export of platinum to countries outside the British Empire?

2. If any such restriction exists, will the Government take steps to have such restriction removed as soon as possible?

3. Seeing that, owing to the drought, the platinum miners in Fifield, New South Wales, have been waiting for eighteen months to ob-

tain a return for their platinum, and are now suffering considerable hardship as the result of being unable to find a market in Australia, although they have several thousands of pounds worth of platinum on hand, will the Government take steps to see that a market is found, and that, in the meantime, advances be made to the holders of this platinum so as to assist them until a market is found?

Sir JOSEPH COOK (for Mr. HUGHES).—The answers to the honorable member's questions are as follow:—

1 and 2. For the past twelve months there has been no restriction on the exportation of refined or native platinum from the Commonwealth.

3. As there is a free market for platinum, the Commonwealth Government cannot at this stage assist the industry in the manner indicated.

COMMONWEALTH STEAMERS.

Mr. MAHONY asked the Minister in charge of shipbuilding, *upon notice*—

1. Has any fault or error been found in any of the designs or any of the plans of any of the ships to be built by or to the order of the Commonwealth Government in Australia?

2. If so, which ships are concerned?

3. What has been the nature of such fault or error, if any?

4. Who is responsible for the designs and plans of the ships built or to be built in Australia?

Mr. POYNTON.—The answers to the honorable member's questions are as follow:—

1. No material faults or errors have been found in the designs or in the plans of any of the mercantile steel ships to be built by or to the order of the Commonwealth in Australia. As is the case in practically every design of high-class vessels of this type (12,700 tons), alterations have been found necessary as the designs have developed. It has been desirable to make various alterations and modifications from the original proposal, which, as every one with knowledge of ship construction and marine engineering knows, is the ordinary and usual process. For instance, the vessels have been increased in length from 400 feet to 500 feet as the result of exhaustive discussions, and to meet the requirements of Australian overseas trade. The breadth has been increased from 52 feet to 62 feet, and for purposes of stability, 1 foot was added to the beam, making it 63 feet, since the length was definitely fixed at 500 feet. The dead-weight capacity has been increased from 8,000 to 12,700 tons. The sea speed has been increased from 11 knots to 13 knots. As final calculations indicated that under certain extreme conditions of loading there was not that margin of stability considered desirable, it was decided to make further modifications. The decision to eliminate the passenger accommodation and to utilize the space for bunker coal or cargo also influenced this decision. The

ship as now designed is the natural result of evolution, and it is consequently anticipated that the vessels will prove highly efficient and seaworthy cargo carriers.

2. See answer to No. 1.

3. See answer to No. 1.

4. For steel mercantile ships, the Chief Executive Officer of Commonwealth Shipbuilding.

ARMY NURSING SISTERS.

Mr. KERBY asked the Minister representing the Minister for Defence, *upon notice*—

1. Whether it is a fact that sisters of the Australian Army Nursing Services have had to perform the duties of stewardess when returning to Australia on board the *Ceramic* and other "family" transports?

2. If so, have these sisters received extra pay for the extra duty so performed?

3. If so, will arrangements be made by which these sisters shall be recompensed for their extra labour?

4. Will the Minister take steps to insure that no further sisters be detailed, without their consent, to perform such duty?

Sir GRANVILLE RYRIE.—Inquiries are being made, and the honorable member will be informed as soon as possible.

BILLS RETURNED FROM THE SENATE.

The following Bills were returned from the Senate without amendment or request:—

Supplementary Appropriation Bill 1917-18.

Supplementary Appropriation Bill 1918-19.

Supplementary Appropriation (Works and Buildings) Bill 1917-18.

Supplementary Appropriation (Works and Buildings) Bill 1918-19.

Sugar Purchase Bill.

PAPERS.

The following papers were presented:—

Taxation—Increases of Wealth (War)—Memoranda submitted by the Board of Inland Revenue to the Select Committee of the House of Commons. (Paper presented to the British Parliament.)

Customs Act—Proclamation prohibiting Exportation (except under certain conditions) of meat. (Dated 27th April, 1920.)

Lands Acquisition Act—Land acquired under, at Victoria Park, Western Australia—For Repatriation purposes.

Public Service Act—Appointment of A. S. Robertson, Department of Works and Railways.

War Service Homes Act—Land acquired under, at—

Cranbourne, Victoria.

Footscray, Victoria.

Newtown, Geelong, Victoria.

SUPPLY (Formal).

MEMBERS' SALARIES.

Question—That Mr. Speaker do now leave the chair—proposed.

Mr. BAMFORD (Herbert) [4.32].—I move—

That all the words after the word "That" be omitted, with a view to inserting in lieu thereof the words "this House do now resolve that the Government be requested to increase the parliamentary allowance of members to a sum not exceeding £1,000 per annum."

The moving of this amendment devolves upon me as "the father of the House," I having had the longest continuous record as a member of this Chamber. I think that the honorable members who constitute my family will be almost unanimously in favour of the amendment. There may be a few recalcitrant members, but their opposition, even if it may not be quite ignored, need not be regarded as serious. In fact, I do not anticipate any opposition from any section of the House, because I have received assurances of sympathy from many honorable members on both sides. It must be acknowledged that while the price of every article has risen to other people members of Parliament have not been left unaffected. We are suffering as people outside are suffering, and in many ways. For instance, there has been an enormous increase in our election expenses. During the last election campaign we had to pay higher prices for halls, advertising, and accommodation. Whereas at one time I could stay at a decent hotel for 10s. per day, I must now pay 14s. or 15s. per day for the same accommodation. These extra burdens are being felt by honorable members. The payment of members ceases on the day that Parliament is dissolved, and they get nothing until again elected. That is grossly unfair, as I have said before in this Chamber. The position is bad, and it is becoming worse. What is being done elsewhere? In Queensland, recently, the allowance to members of Parliament was increased from £300 to £500. That is an indication that we should get more. A State member is better off at £500 per annum than a Commonwealth member at £600 per annum. I, for instance, represent a Commonwealth electorate in which there are eight and a-half State electorates, the

State representatives of which draw £4,250 for doing what I do for £600 per annum, and I say advisedly that I do as much as the whole of them. Other members of this Parliament, whose electorates contain a number of State electorates, know that that is not an exaggerated statement. In New South Wales the parliamentary emolument was recently increased from £300 to £500, and I understand that there has been an increase in Western Australia. In view of these facts, we are justified in asking for more than we are now getting. It is only a week or two since the Prime Minister, speaking from his place in this House, complained of the inadequacy of the travelling allowances given to Ministers. From its inception, the remuneration of this Parliament has been on mean and miserable lines, no regard being paid to the dignity of the institution. I could name several members who, having retired from Parliament, or having failed to secure re-election, have had to look for a job. I know one man—a good party man, who occupied a seat here for many years—who had to accept the position of night watchman. This state of things is disgraceful, and lowering to the dignity of the National Parliament. Members should have an opportunity to accumulate little savings, but how is that possible out of the present allowance, with families to be reared and educated, and, in the many cases where men come from other States, with two homes to keep up? The *Argus*, commenting on the remarks of the Prime Minister, said that if members had to rely for their living on their parliamentary allowance, God help Australia. That is the sort of comment to be expected from a Conservative organ like the *Argus*. What brought about payment of members? Some thirty years ago, when many of those who are now listening to me were schoolboys, the great maritime and shearers' strikes occurred. The newspapers of that day—they were practically all Conservative then—said to the workers, "Why do you not elect men to Parliament who will ventilate your grievances? If you do that, there will be open and public discussion, and your ills may be remedied." This advice was taken, and we who belonged to the Democracy returned members to fight its

battles in Parliament. But the men who could best represent us were poor: men like Andrew Dawson and Andrew Fisher, who were working for a daily wage, and had families to maintain. To enable them to live while performing their parliamentary duties payment of members was instituted. Our example was followed in Great Britain. At one time the British unions subscribed sums to pay their representatives in the House of Commons, but this placed too great a strain on the unions, and it was considered unjust to tax them for their representation, with the result that the House of Commons, then possibly the most Conservative institution in the world, resolved that its members should be paid. The right of Democracy to representation so that its sentiments could be voiced in Parliament was not fully admitted until payment of members was instituted. No doubt to-morrow morning I, and those who may support the motion, will be vilified in the press, and a section of this House will be called on by the newspapers and by the Taxpayers Association to nail the flag of economy to the mast and kill this proposal. Members, however, should not be fearful. The man who fears to do what he knows to be right, fair, just, and reasonable, ought not to be here. The Commonwealth Parliament has cost the country nothing. Prior to Federation, gold was minted in Sydney, Melbourne, and Perth, but after the union of the States the Commonwealth was permitted to issue its own silver and bronze also. The silver we got coined for us in England, and imported it, paying for it the current price of the metal plus the expense of coining it. As for a long time silver was worth only about 2s. an ounce, and silver coinage had a face value of about 5s. 6d. an ounce, this arrangement was very profitable to us, but, unhappily, during the past twelve months the price of silver having risen to between 5s. and 6s. an ounce, the position now is not so good.

Sir JOSEPH COOK.—In London they have taken steps to meet the increase in the cost of silver by increasing the alloys.

Mr. BAMFORD.—According to the *Commonwealth Year-Book*, our profit on the coinage of silver was £334,338 in 1916-17, and on the coinage of bronze in the same year £19,938, a total of

£354,276. In 1917-18 the profit from the coining of silver was £209,952, and from the coining of bronze £19,426, a total of £229,378. In this year the Commonwealth Parliament cost £270,568, but of that amount £26,893 was the cost of the Governor-General's establishment, so that the net cost of this Parliament, including £87,000 for the expenses of an election, was £243,675, which amount, deducted from the profits on coinage which I have given, made a net profit for the year of £153,000. Moreover, in the year—1917-18—Parliament cost the people only 13.2d. per head, and I think that if the matter were submitted to the people there would be no difficulty in securing approval for my proposition, seeing that it has cost so little to maintain a Parliament which has done such very good work. In the early days of Federation, when Tariffs were under consideration, members had only to put out their hand in the lobbies to get all the money they wanted. It is to the credit of our Parliament that the slur was never cast on any member, either directly or indirectly, that he had taken a bribe, or had accepted money for his vote. All honour to this Parliament that its members have not accepted the opportunity which was theirs to enrich themselves improperly. In other places we hear of Tammany practices and of money being spent freely to secure parliamentary votes. Money might have been taken by members of this Parliament, but no member of it has ever been accused of accepting improperly for his services even as much as the value of a postage stamp. I believe that the Government will give this matter their sympathetic consideration, and that my proposal will be carried. We may rest assured that if it is, the Government will give effect to it.

I have only to say, in conclusion, that throughout the elections my attitude in regard to this matter has been well known. I have never hesitated to express from the public platforms in my electorate the opinion that the allowance which we receive by way of salary is too low. As far back as 1910 at an election meeting which I was conducting in one of the largest centres in the division, Captain White, who with his lady friends sat in the front seat, rose as soon as question time was reached and said, "Mr. Bamford, will you tell me why you voted to increase your own par-

liamentary allowance from £400' to £600 per annum?" I replied, "Captain White, I did not vote to increase my parliamentary allowance." "What! Do you mean to tell me that you did not vote for it?" asked my friend. "I do," said I; "I did not vote for it. As a matter of fact, no vote was taken. The proposition was carried on the voices. Further than that, let me tell you and the meeting that I was not in favour of £600 a year. What I wanted was an allowance of £1,000 a year. I am wanting it yet, and I hope to secure it." At the last meeting that I held in connexion with the recent general election, I was asked whether I was in favour of the payment of members. My reply was, "Certainly I am. If I were not in favour of it I would not be here, and what is more, were it not for the payment of members the 'other fellows' would not be chasing me for my job." I have never made any secret of my views on this question, and I do not intend to do so. I am voicing my sentiments to-day as publicly as it is possible for me to do.

Mr. J. H. CATTS (Cook) [4.54].—I second the motion. The Constitution casts upon the Parliament the obligation of fixing the salaries of its members, and consequently the matter is one that must be submitted to discussion. I propose to submit a statement covering my experience as a member of this Parliament for thirteen years. The statement is as follows:—

STATEMENT of Income as Parliamentary Salary for Thirteen Years—December, 1906, to December, 1919—together with Expenditure in earning such Income.

<i>Income.</i>	
December, 1906-7 (one year) ..	£400
" 1907-19 (twelve years at £600) ..	7,200
	£7,600
Less five dissolution periods, averaging six weeks (£75 each) ..	375
	£7,225

<i>Expenditure.</i>	
Six elections—1906, 1910, 1913, 1914, 1917, 1919 (five at £250 and one at £165) ..	£1,410
Travelling expenses to Melbourne per year (£100 per year—thirteen years) ..	1,300
Federal and State income tax and other taxation (£50 per year—thirteen years) ..	650

Annual electorate expenses (thirteen years, at £50 per year)	650
One referendum campaign; two conscription campaigns (£50 each)	150
	£4,160
Net salary for thirteen years (averages approximately £235 per annum)	3,065
	£7,225

In my thirteen years of political life, I have had to contest six elections, or an election on an average every two years. Two hundred and fifty pounds is the lowest amount on which I can conduct an election campaign. At the recent general election I spent the last penny on which I could lay my hands in fighting the seat, and my expenses on that occasion ran into £165. Friends had to assist with the balance. There are thirteen polling booths in the Cook electorate, and my friends demanded that at every polling booth there should be a motor car in attendance. Honorable members are aware that it is impossible to hire a car for less than £10 a day. I had thus in respect of that item alone to incur an expenditure of £130.

The Electoral Act provides that the election expenses of a candidate shall not exceed £100, but it is well that it should be said publicly that that provision is a piece of absolute hypocrisy. In a contested election no man could confine his expenses to £100. There is, as a matter of fact, what may be described as a "catch" in the Act itself, since the provision in regard to the maximum expenditure of £100 relates only to certain items, and does not cover such an item as the hiring of motor cars.

Mr. GREGORY.—Would not such an item be a statutory expenditure?

Mr. J. H. CATTS.—No. The provision as to expenses not exceeding £100 relates only to certain statutory items. Quite apart from those items, there are necessary expenses which, in my case, have brought my expenses up to the total I have given. Some years ago I interviewed the Chief Electoral Officer, and told him that it was impossible for me to run my election campaign on an outlay of £100. He then pointed out to me that the provision in the Electoral Act to which I have referred did not cover such items as expenditure for the use of motor cars to convey electors to the polling booth.

Mr. McWILLIAMS.—Nor does it cover personal expenses.

Mr. J. H. CATTS.—That is so.

Mr. CONSIDINE.—It does not cover the cost of motors used in conveying a candidate to the different parts of his electorate during an election campaign.

Mr. J. H. CATTS.—There is nothing to prevent the use of motor cars on election day as long as the cars are free to any one who likes to enter them for the purpose of going to a polling booth. No person who has asked for a lift to a booth has been refused in my case provided there has been room for him in the car.

I come now to the item of travelling expenses. On the average, we travel to and from Melbourne for six months in the year. Honorable members may easily work out for themselves what that involves. It costs about £3 a week for train expenses to Melbourne, and back to Sydney, as well as for hotel expenses while in Melbourne. The Federal Taxation Commissioner has recognised that £100 is a reasonable deduction to allow for travelling expenses in the assessment of income tax.

I need make no further reference to the items in the statement relating to Federal and State income tax, because honorable members are quite familiar with the subject.

As to the item of £50 a year for electorate expenses, I admit quite candidly, that I have had to spend money in what is known as pre-selection campaigns, which are quite apart from a general election. In many cases, Labour members have a pre-election campaign which is fought out probably more strenuously than is a general election. Then, again, the one referendum campaign, and two conscription campaigns referred to in the statement were quite independent of general elections. They do not relate to a referendum contested concurrently with a general election.

In thirteen years as arising out of my public duties I have been served with six writs for libel, have had seven prosecutions under the War Precautions Act, and have had to take part in a number of State elections. These expenses I have not included.

As this matter is to be publicly canvassed, let me say that I consider it necessary for an honorable member, in conducting an election campaign to make

sure that he holds his seat. I have known seats that were considered to be safe for labour to be won by the other side. My friend, Mr. Yates, who represented Adelaide in the last Parliament had, for instance, a seat which looked as safe for Labour as my own. Where is he to-day? He thought he was absolutely safe; but he made a mistake. Many seats which have been held for Labour as strongly as my own, have because of some mistake, probably because of insufficient expenditure in respect of organizing work, been lost to us. I have always felt that, since I have given my life to a parliamentary career, I cannot take that risk.

It was put in the New South Wales Supreme Court not long ago by the presiding Judge, that a certain member should be able to earn a considerable amount apart from his parliamentary salary. I want it to be known throughout the length and breadth of Australia that if there is any work that I can do, in addition to my ordinary parliamentary duties, I am open to accept it. Every one knows that I am an industrious man, and that I can get through as much work as any man, in Parliament or out of it. If there is any work offering that I can do, I am ready to take it.

AN HONORABLE MEMBER.—If you have the time to attend to it.

MR. J. H. CATTS.—I have a word or two to say on that subject. My constituents expect me to be in Sydney every week. Representatives of New South Wales can bear me out in the statement that there is not sufficient sitting room in the Commonwealth Offices, in Sydney, to provide for my constituents who come to interview me every Monday.

MR. MAHONY.—It is the same with all of us.

MR. J. H. CATTS.—They are to be seen standing along the passages, twenty or thirty at a time, waiting to interview me on public business. I am expected to be at the Commonwealth Offices, Sydney, every Monday morning, and I have to work very hard to attend to the business of my electorate. Every Monday evening, under the present sitting arrangements, I have to leave for Melbourne, in order to attend Parliament. Otherwise I have to leave Sydney for Melbourne every Tuesday night. Train

travelling, as honorable members know, takes a good deal out of one. It takes a lot out of me. I am not at my full physical capacity the day after I have travelled from Melbourne to Sydney, or *vice versa*. The only work that a member of Parliament can take in hand, apart from his ordinary parliamentary duties, is that which can be done while he is sitting in the House. Even then he must neglect the examination of Bills and public documents.

In 1906, when I entered this House, I had a good position, which I could have retained for life if I had not turned my mind to parliamentary matters. In addition, I had a business 300 miles up country which returned me some income, but I found it impossible to manage it along with my parliamentary duties, and had to sell it. The other position I could not hold, because it was the policy of the Labour movement that no member of the party should occupy two paid positions. For a little time I was on the Price Fixing Board, and by living on about a third of the ordinary expenses, I saved a little money; then, in the case of the little company matter I mentioned, I managed by working on Sundays and holidays to get together £600 or £700. If I had not made a few pounds from the sale of my business, and working as I have described, I should, with the little trouble that came upon me later, have been bankrupt, and unable to retain my seat in this Parliament. I tell young members, who have not had this experience, that if the breeze blows adversely, and they are compelled to face what I consider the ordinary responsibilities and emergencies of life, they will find there is no margin whatever in the parliamentary salary to carry them over.

On one occasion only, about ten years ago, has any offer of money been made to me in connexion with my public career. A man who had some dispute with the Customs Department as to the classification and duty of some goods he was importing, said that I could have half of the monetary result if I was successful in obtaining a decision in his favour. I immediately told him I could have nothing to do with his case. I am proud to say that I have never known in my experience in this Parliament even the breath of suspicion against any honorable member of improper conduct, for mone-

tary reasons, in connexion with his public duties.

There are, of course, honorable members who are wealthy, and they do not feel the position as men like myself do; but I ask them to consider the items I have submitted, and say whether they could, without their private incomes, have done any better than myself. It is unpalatable that these matters should be canvassed in Parliament, but I think it my duty to make this statement before the House, the public, and the newspapers. Any one is at liberty to criticise it in any way they like; I only know that none will be able to show that my statement contains the slightest exaggeration.

Mr. BAYLEY (Oxley) [5.10].—I support the motion because I have found, during my brief experience in the House of some three years, that the allowance received by honorable members is insufficient. Those of us who come from other States, such as Queensland, feel this insufficiency in a very marked degree. It is necessary for such honorable members to maintain two homes, and travelling expenses are always heavy. Then, again, the election expenses, as already outlined, are a severe drain. I feel confident that it is not the wish of the people of Australia that their representatives should receive a salary which prevents them doing those things which they should be able to do as public men; it is not fitting that members of the Federal Parliament should, when travelling, have to consider every shilling. Unless we are willing to live beyond our means we find ourselves compelled at times to travel under conditions ill-becoming our position. Unless we are placed by the people of Australia in such circumstances as will enable us to act with dignity, nothing but harm can come. When I retired from the Education Department in Queensland in order to enter political life, I did so with the knowledge that that step would result in pecuniary loss; but even at that time I did not realize the extent to which the cost of living would increase, and the amount I received monthly, whilst small, was enough to enable me to pay my way. At present, however, I find it extremely difficult to do this. I speak thus plainly because, now the subject has been opened, I think it behoves every one to freely express his opinion. There is no man in the House who does not realize that the allowance is insufficient. There

are amongst us men who are fortunate enough to be moneyed, or in business, and thus have their parliamentary allowance augmented; but honorable members who had to throw over everything in order to enter political life, deserve special consideration at the hands of Parliament. I hope that each honorable member will speak as his heart dictates, and not as he may think the people outside would like him to speak.

Dr. MALONEY (Melbourne) [5.14].—I feel a peculiar pleasure in following a young member, because of the fact that I speak with some thirty years' parliamentary experience behind me. When I first entered Parliament I was worth £10,000, though possibly, if I died tomorrow, I should be found, with the aid of insurance money, worth ten thousand shillings. My first election cost me over £900—we had a glorious time! I remember that somebody sent up a barrel of beer, and, knowing very little about politics, I thought that everybody ought to have a glass. However, an assistant of my opponent pointed out to me that I was breaking the law in allowing the barrel of beer to be in the lane beside the booth, and when I went round I found it—

Mr. TUDOR.—Empty?

Dr. MALONEY.—Very nearly. I was saved, however, by the gentleman to whom I have referred knocking the end of the barrel in; and then there was a row! I owned thirty houses at the time, or a little subsequently, and not believing in landlordism, I made the tenants the owners, except in case of those in which I had only a life interest. I apportioned one-fourth of my income to help those not so well off as myself, and the proportion was frequently larger. If my parliamentary allowance were increased, it would enable me to extend more such help than I am able to do at the present time. I know that if I were to leave Parliament I could earn £1,000 a year or £1,500 a year, even at my advanced age, but I would rather be here at £200, or with only sufficient to buy bread and butter, and have the feeling that by my vote I could benefit the men, women, and children who are to come after us. Believing in one man one billet, I gave up the practice of medicine many years ago except in the case of some old friends, who mistakingly

think I am a born genius in the profession.

In the Public Service a man, so long as he has moderate abilities, and minds his P's and Q's, has his remuneration increased by annual increments, without, as in our case, the necessity of appealing to constituents every three years. About forty-eight years ago some one, thinking that I had a fair seat in the saddle, tried to persuade me to join the mounted troopers; and I often wonder what would have happened in that long interval, had I done so. Law-making should be a profession, and one of the most important in the community, for bad laws mean suffering to the majority. If the salary be raised to the figure proposed I should like it to be provided that no member be allowed to carry on a private business. If a member had a business he might be allowed to visit it as an auditor, but he should be called upon to devote the best of his abilities, indeed the whole of them, to making fair and proper laws. I further suggest that each member should be attached to a separate Department of the Government, so that he could be sent by the Minister in charge to any part of Australia to inquire into grievances and so forth. Had there been such a plan in operation in the Federal Parliament, the Minister for Home and Territories, for instance, might have selected myself from this side, and the honorable member for Denison (Mr. Laird Smith) from the other to make inquiries into the Northern Territory troubles with great advantage.

As to bribes, I do not know of any alleged case that can be proved; but if there were bribery it might be suppressed by making death the penalty, for no punishment can be too severe for a member of Parliament who so degrades his noble position and trust—a position which should be the highest in the land, seeing that it is the only one to which men are elected by the sovereign people. I make the further suggestion that a portion of the increased salary should be ear-marked to provide a retiring allowance for any man who ceased to be a member for health reasons or by *force majeure*—the people's vote. If a portion of the salary were paid into an insurance company, a large sum could be apportioned to the indi-

vidual who, in his pursuit of helping the country as a law-maker, has had to retire through ill-health or from *force majeure*. If the increase is granted, I shall have the pleasure of being able to help those who have not been as well placed as I am. If I were worth £1,000,000, I would not leave my children much money, because, with few exceptions, I have never seen children who have been left much wealth who have grown up a credit to their country or to their families. Recognising that the State should have everything, I hope to see the day when it will be the heir to all property over a certain amount.

Mr. BELL (Darwin) [5.21].—Even at the risk of becoming unpopular with my fellow members, I have to face my responsibilities, and speak exactly as I feel on a matter such as this. I must oppose the proposition submitted by the honorable member for Herbert (Mr. Bamford). I have every sympathy with those honorable gentlemen who have been members of Parliament for a great number of years, and I see no reason why the honorable member for Herbert should become unpopular with his electors for having submitted his amendment. He is perfectly justified in advocating an increase in members' salaries if he considers it necessary; and I am particularly pleased that, if the matter had to be brought forward at all, it should have been submitted by the oldest honorable member here. However, I am in a different position. I do not know as much about the cost of living at the Seat of Government as older honorable members know, but I hope to be able to live within my parliamentary allowance. If not, my only alternative will be to retire from politics. I have a great deal of sympathy for those honorable members who represent distant States, such as Queensland and Western Australia, and cannot get home at week-ends—in fact, can scarcely get home at all during a session; but I feel that if I had to live at the Seat of Government, I would have no cause for complaint about the inadequacy of the present allowance. Being a young member, I am not in a position to counter the claim put forward that it is insufficient; but my objection to the present proposal is that it has come at the wrong time. Such a proposition should be brought forward before an election, and honestly submitted to the

people. I do not question the honesty of honorable members who have spoken in support of the proposal to-day, but it would be a better test of honorable members' honesty of purpose if they would go before the people and claim that £600 a year is insufficient, and that the allowance should be at least £1,000 per annum. Let them stand or fall by that, and there would be no question as to their honesty. Every day we hear pleas put forward that we must economize, and undoubtedly one of the supreme necessities of to-day is economy in administration of public affairs. We also say that the people should economize in order to counter the high cost of living. But while we are continually preaching on these lines, claiming that the only way in which the high cost of living may be reduced is by a reduction of expenditure on the part of the people, what will the public say if at the same time we advocate an increase in our allowance? I could not do it consistently, and I do not think that at the present time we are justified in asking that our allowance should be increased. If we, as legislators, are to retain the full confidence of the people—our success depends very largely upon it—we can only do so by submitting to them any questions that concern us personally before we propose to carry them out, or, at any rate, before we decide to do so. I can only be persuaded to support an increased allowance on the ground that there would be a corresponding reduction in the number of members; but this, I take it, cannot be brought about except through the people, after recommendations from the Federal Convention, which we are told is to meet next year. The honorable member for Herbert says that he represents a district covering eight and a-half State electorates. I believe that I could represent two Tasmanian electorates in this House just as well as I represent one, and it might be a toss up between the representative of a neighbouring electorate and myself as to who should retain the combined seat.

Mr. WATKINS.—If the honorable member represented the whole of Tasmania he would not represent a larger electorate than some of those in other States.

Mr. BELL.—I can only speak for the State I know. Other honorable members who represent electorates in larger

and more thickly-populated States can speak for the States they know. We find that little more than half the members vote on important divisions in the House. In the circumstances, I am justified in saying that we could do the work just as well if we had only half the present number of members. I could only be persuaded to vote for an increased allowance if the number of members was also to be reduced, and it was made compulsory that a member must be in attendance in the House at all times, or forfeit his allowance. I hope that the matter will not be pressed to-day, and that we shall wait until the Federal Convention is held, and the amendments to the Constitution are submitted to the people. The question can then be honestly put before the electors. If I find from my experience of living at the Seat of Government that it is necessary to have an increased allowance, and if I am a candidate for election, I shall go before the people and advocate an increase.

Mr. BLAKELEY (Darling) [5.31].—I am pleased that this matter has been brought before the House, because I was anxious that honorable members should express their opinions upon it. There are several honorable members who are fortunate enough not to need to bother about what salary is paid to them, but 95 per cent. of us depend exclusively upon our allowance, and our time is taken up in such a way that we are practically prevented from following other businesses which might augment our incomes. In 1916, when I submitted myself for selection for the Darling seat, it cost me £76. The election which followed cost me £270. The 1917 conscription campaign cost me another £80. My other visits to the electorate during the two and a half years have cost me another £140. It was not until twelve months after I became a member of this House that I suddenly discovered from my cheque books that it was a losing proposition for me. I am not at all given to spending money needlessly. Twelve months' experience in the House of Representatives or the Senate makes a man very careful indeed. But notwithstanding how careful one might desire to be, I cannot go into my electorate under a cost of £8 to £10 a

week. That is what it generally costs men to go into the country electorates. The Darling electorate covers an area of about 53,000 square miles. My work in the electorate itself during the two and a half years, including the expense of pre-selection, cost me £566, apart from any expenses I incurred in visits to Melbourne during the same period. My total receipts during the period were £1,563, giving me a net income of £997 for the whole of last Parliament, and had it not been for a fortunate occurrence, by which a syndicate in which I was interested drew £1,200 in a Tattersall's sweep, my share after taxes had been paid amounting to £350, I would not have been in a position to pay my election expenses. I had to go into debt to carry on the campaign, and I had not quite cleared that debt when the last election was held, and again I had to seek means other than my parliamentary allowance to fight the campaign.

Mr. GIBSON.—Not through Tattersall's again?

Mr. BLAKELEY.—Unfortunately, something seems to have gone wrong with Tattersall's since then. Two cases have come under my notice recently relating to members of the Federal Legislature. One is that of a man who had been in State and Federal Parliaments for twenty-seven years, and in the other case the period of service has been twenty-five years, and had they not succeeded at the last election they would have had to seek employment at their former trades. That would have been a tragedy after they had given the best of their lives to the service of the State. I hope that at the end of twenty-seven years, if my parliamentary career lasts so long, I shall not be in the same position as they occupied. I have not the slightest doubt that there will be columns of economy preached to honorable members by the newspapers. We, unfortunately, are not in the same position as are newspaper companies; we cannot without reference to anybody else increase our salaries by 100 per cent., as the newspaper proprietors have recently increased the price of newspapers. It may be truthfully said by them that, whereas printing paper cost from £11 to £13 a ton in 1914,

to-day it costs £80 per ton, and that in order to keep their newspapers going the proprietors must increase the price. It may be that some of the fair-minded newspapers will point also to the enormous increase in the cost of living and of boots and wearing apparel. The cost of the suit of clothes I am wearing has increased over 100 per cent. in five years. Similar increases have taken place in the prices of all the things we consume and wear. I am not at all concerned with what the press may say about me in this regard. There seems to be an unfortunate curse placed upon those who oppose increases in salaries. So far as I can learn, there are left in the two branches of this Legislature only two of those who voted against the last increase in salary. It appears that the people do not regard with favour men who oppose legitimate increases in the payment for services rendered. The honorable member for Darwin (Mr. Bell) has declared that he is not yet in a position to say whether or not £600 per annum is sufficient. I am positive that within twelve months, irrespective of the fate of this motion, the honorable member will know definitely that this is not a payable billet. My parliamentary position will not return me more than £270 per annum, but I was receiving £325 before I entered this House. Recently the jurymen in New South Wales asked for an increase from 8s. to £1 1s. per day. Everybody is asking for more pay. We are moving in a vicious circle, and I hope that the Parliament of this Commonwealth will not be at the tail end of the circle. I have in this House advocated the fair payment of the servants of the Commonwealth. As an official of the Australian Workers Union, and prior to becoming an official, I have always advocated fair payment for services. To-day I am advocating the same thing for my parliamentary colleagues and myself. I believe that the Commonwealth can afford to pay its members, and that it should do so. It is not right that any man should be merely existing; but a member who receives only £600 per annum, and has to travel between his State and Melbourne, and from his home to his electorate, cannot possibly do more than exist.

Dr. EARLE PAGE (Cowper) [5.40].—I do not know whether I shall be regarded by honorable members as a prehistoric man when I express the view that, in my opinion, there should be no payment of members at all. But I recognise that there cannot be proper representation of every class in the community, especially the industrial classes, unless there is payment of members. Neither can there be stable government unless every class in the community is properly represented in Parliament. If, therefore, we are to have payment of members, the pay should not be skimmed in any way, but should be ample to attract the best men. In the first place, it should be ample, in order to increase the competition for the position, thus attracting the best men to the National Parliament. Secondly, I believe that an increase of salary will bring about much more quickly the further subdivision of Australia into self-governing provinces. The present cost of Legislatures must be lessened; and I think that, by making adequate provision for the payment of members of this Parliament, we shall bring the people of Australia much more quickly to a right state of mind upon this question. My own position is that, before entering the House, I made up my mind as to the annual loss I could sustain, and I am willing to continue through this Parliament, and through any subsequent ones of which I may be a member, still bearing that loss. But I realize, from the short experience I have had in travelling between Melbourne and my own State, that there is no possibility of a member from other States, or even of a Victorian country representative, living within his present parliamentary salary. For that reason, I think it would be grossly unfair if I were to stand in the way of this proposal for no other reason than that I am a little more fortunately placed than are some of my fellow members.

Mr. TUDOR (Yarra) [5.45].—Like the honorable member for Herbert (Mr. Bamford), I have been a member of this Parliament from its inception. During the last nineteen years I have given to the people of Australia the best service of which I was capable, and I am satisfied that had I devoted the same amount of energy to private business, I would have been infinitely better off than I am

to-day. This is not, and cannot be made, a party question. Every member is at liberty to speak or vote as he chooses upon this amendment, and as far as I know, no arrangement of any sort has been made. Of course, the question cannot be settled by the carrying of the amendment, because an increase in salary can only be effected by passing an amending Bill. When that Bill is before the House, every honorable member will have an opportunity to speak and vote according to his own views. The last increase in the parliamentary salary was made in 1907. From the beginning of January, 1910, until 31st December, 1919, there have been five elections and five referenda, three of them were held apart from the general elections—two on the conscription issue, and one in 1911 in regard to a proposal to amend the Constitution. In addition, it has been my privilege to have travelled through four different States in connexion with four State general elections, and also in connexion with by-elections, and to visit all the other States of the Commonwealth in connexion with public matters. In 1917, when we had a Federal general election, a referendum on conscription, a by-election in Tasmania, and another in Victoria, I travelled about 25,000 miles. I could not have done that had I not been a Minister of the Crown in previous years. I was out of pocket; but I bore the loss, because I believed that I was merely doing my duty.

Mr. FENTON.—Can any honorable member be a true Australian unless he travels about the Commonwealth?

Mr. TUDOR.—I do not think he can.

Mr. PARKER MOLONEY.—This is the only Australian Parliament in which the Leader of the Opposition does not receive a special payment.

Mr. TUDOR.—As a good unionist, I believe that I should be declared "black" by all other Leaders of Oppositions in Australia. Some honorable members, including those who have been in the House for many years, are under the impression that I do receive an allowance. All I can say is that, if I do, I do not know where it goes; it never reaches me. I realize that the interests of members from other States, and the Victorian country members, are in less fortunate positions than are those honorable

members who represent Melbourne metropolitan electorates. But it is useless to say that we will vote a special allowance for some honorable members. The Constitution does not allow us to differentiate in the taxation of individuals, and I do not think it will permit us to differentiate between the payment of members of Parliament. Neither do we desire to do so. If £600 was a fair salary in 1907, and I believe it was, we are entitled to some increase to-day. I shall support this amendment, and if it is followed by a Bill I shall vote to increase the present salary.

Mr. MAXWELL (Fawkner) [5.49].—I regret exceedingly that I feel compelled to oppose this motion. My position can be put into a nutshell. I do not discuss the merits of the proposal, because I think that a great deal has been said by honorable members to justify an increase in the parliamentary allowance. But the case presents itself to me in this way. With a full knowledge of the facts, I offered my services to the country for £600 a year, and it would be a violation of the most elementary rules of honesty if, my offer having been accepted, I were, now that I am a member of the Parliament which has control of the country's finances, to put my hands into the Treasury, and draw a larger amount.

Mr. RILEY.—You need not take it.

Mr. MAXWELL.—I should not take it, even if it were provided.

Mr. BLAKELEY.—Is it not a fact that your income from legal practice is probably double what you get as a member of Parliament?

Mr. MAXWELL.—I shall answer the question as I answered a similar question when contesting the Fawkner seat. I said that, in the first year of my practice at the Bar, I made ninety guineas, and that last year I made—considerably more. From my point of view, it is almost indecent for members to discuss their private affairs here as some of them have done. This is a question of contract. Did any member who is now objecting to the smallness of his allowance suggest, when from the public platform he solicited the suffrages of his constituents, that the remuneration was not sufficient?

SEVERAL HONORABLE MEMBERS.—Yes.

Mr. MAXWELL.—In any case, honorable members offered their services at the figure ruling. Moreover, one of the

stock subjects of debate during the campaign was the high cost of living, so that candidates knew the facts, and, furthermore, many of the candidates had had the experience of living on £600 a year, and yet they deliberately offered to renew their engagement to the electors at that figure. Every man must look at this matter from his own point of view, and satisfy his own conscience, and I say that my conscience will not permit me to vote for this motion.

Mr. WEST.—My conscience wants the higher salary.

Mr. MAXWELL.—It is not a matter of wanting it. If we were going to the country, I would advocate an increase in the remuneration of honorable members. I do not know how those honorable members who are entirely dependent upon their parliamentary allowance, especially those who come from other States, can begin to live on £600 a year. Yet, knowing the facts, they offered to serve for that salary.

Mr. J. H. CATTS.—Will the honorable member consider this point for a moment? Suppose he had been elected twenty years ago on a certain salary, and had given up his private practice to enter Parliament, and now found that he could not get back to private practice?

Mr. MAXWELL.—My answer to that is that an honorable member so placed should have told his constituents that he could not live on the salary paid to him, and that if it were not increased, he must retire. Had such a candidate retired, he would have found a dozen men ready to take his place.

Mr. J. H. CATTS.—Of course he would; wealthy men!

Mr. COSIDINE.—That is what the employers say all the time, "If you do not like the job, get out."

Mr. MAXWELL.—The honorable member for Cook (Mr. J. H. Catts) spoke of the expense to which he was put in his pre-selection campaign, but were the parliamentary allowance increased to £1,000 a year, his pre-selection expenses would be infinitely greater than they are at present. Apart from the merits of the case, what determines my position is that I offered my services to the country at a certain figure, and that offer having been accepted, I cannot in reason or conscience go back on it.

Mr. HIGGS (Capricornia) [5.54].—The honorable member for Fawkner (Mr. Maxwell) thinks it indecent on the part of certain honorable members to have

talked of their private affairs as they have done. In my opinion, those who had the courage to do so deserve the admiration of the House, and I, for one, admire them. The honorable member has suggested dishonesty on the part of those who intend to vote for the amendment.

Mr. MAXWELL.—No. I said that, from my point of view, it would be dishonest to vote for it; that it was a matter of satisfying one's own conscience.

Mr. HIGGS.—If the honorable member will permit me to say so, I have a very high opinion of his ability, and of his desire to serve the public, but had he during the electoral campaign told his constituents what his earnings are, and how he occupies his time—that he is one of the most successful criminal lawyers in the country, and earns a large part of his income by defeating the ends of justice—he would not have found a seat in this Chamber.

Mr. MAXWELL.—That was cast up at me at almost every meeting.

Mr. HIGGS.—I have been in Parliament for a very long time. Before entering Parliament I was, as a journalist, more or less successful. Since entering Parliament I have not earned a penny by journalistic work, though I have often been asked why I do not write. I have given all my time to my public duties. There are some professions, like the law and journalism, that run in company with a parliamentary career. The delving to ascertain facts and figures which is necessary for parliamentary work often produces matter for an article or for a speech in the Law Courts. The honorable member will forgive me for pointing out to his constituents that he neglects his parliamentary duties. He was not present at the Caucus meeting of his party when the Repatriation Bill was being discussed, and when he entered the chamber he knew nothing whatever about it. We do not carry out our duties in that way; we devote all our time to them.

Mr. WEST.—Our lives.

Mr. MAXWELL.—I told my constituents that I could not undertake to devote all my time to parliamentary work.

Mr. WEST.—You represent a lot of city people.

Mr. MAXWELL.—The honorable member is calling my honesty in question. I say that I told my constituents exactly how matters stood with me.

Mr. HIGGS.—The honorable member has said that common honesty would dictate to us the carrying out of our bargain with the electors.

Mr. MAXWELL.—I said that it would dictate to me a certain course.

Mr. HIGGS.—What is honest so far as the honorable member is concerned must be honest so far as others are concerned.

Mr. MAXWELL.—What may be necessary to satisfy my conscience may not be necessary to satisfy the conscience of others.

Mr. HIGGS.—Twenty years ago, when I went to Darling Harbor to speak in favour of Federation, I was met by a howling mob, which threatened to throw me into the dust-bin; but, after a while, finding that I was not anxious to speak, they invited me to do so. A certain gentleman was then addressing a gathering from an opposite hotel. I was denounced as a "blackleg" for having voted for Federation, and when it was arranged that I should speak he told me to stick to the Bill. I replied, "No, I will explain my vote," and I told the audience that I voted as a matter of conscience. To that the gentleman rejoined, "Mr. Higgs says that he has a conscience. What would be thought of an officer who, being told by his Commanding General to charge, excused himself on the ground that he had a conscience? Why, he would be shot immediately." That, of course, was no argument, but I have never since then referred to any vote of mine as dictated by conscience.

This question is a most unpleasant one to have to talk about, but the public are not in a position to judge what salary should be paid to members. It is impossible for the public to know what is the work of a member of Parliament, the time occupied in dealing with his correspondence, and in interviewing constituents. They can only trust members of Parliament—as the vast majority have always done—to do what they consider is a fair thing. I have never known a member of Parliament to be turned out of his position because he voted for an increased parliamentary salary. Those who intend to oppose this motion should place themselves in the position of those who give the whole of their time to their parliamentary duties. They should ask themselves whether they do not see a difference between the work done by the latter and those who are able,

while attending to the work of Parliament, to carry on their professional duties. A public man, in my opinion, must devote himself wholly to his public work if he wants to make a success of it. If he tries to run a business at the same time, either his public work or his business must suffer. The one or the other must go. If he divides his attention between the two he is a failure, either as a public man or as a business man.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [6.2].—I come to the discussion of this question as one who, for the time being at any rate, is not pecuniarily interested. I speak, too, as one who has had almost as long an experience of parliamentary life as any member of this House. I have been chastened, as most men have, by that experience, and sometimes a little saddened by it. I am perfectly confident that what the Leader of the Opposition (Mr. Tudor) has said is right in his case is right in mine. Had I given my energies to law, or to the making of money, I should have been a very wealthy man to-day. Nay, if to-morrow I walked out of this House, and turned my energies into some other channels, I could earn more money in one year than here in three, even occupying my present position.

So much by way of preface. I am a Minister, and the motion relates to the salaries of members. As most honorable members know, Ministers receive as members a salary of only £400 a year. Why that is so I have never been able to understand. The motion says, in effect, that the salary of members is inadequate. I quite agree with that. There is one principle that holds good the world over in relation to labour and everything else: if you want the best thing you must pay the best price. The price of a man's labour and a man's service differs from time to time. It includes as the irreducible minimum the cost of subsistence. Six hundred pounds a year was considered a fair salary for members of Parliament in 1907. If that is so, it is certainly not a fair salary to-day.

Something has been said of the position of members who devote their entire lives to the service of their country. Speaking for myself, I have found it a very thankless business. I see around me men who have been my friends and colleagues for many years, many of whom are as poor as, and some poorer

than, myself. They have so slipped into the rut of political life that once they are driven out they are utterly undone. They are unfit for anything. I have seen men hang round the portals of this place when the public, fickle-minded as it is, has rejected them, miserable beings, seeming, as it were, like those who were cast out of Eden. I have even known an ex-Federal Minister to be reduced to such straits that, walking down Bourke-street, I saw no man so miserably dressed or looking such an outcast. Such cases are, no doubt, exceptional; but I speak of the general rule. Why should the public expect those upon whose honesty and ability their welfare and the safety of the nation depends to work for less than a fair return for their service? What right have they to expect anything of the kind? The honorable member for Fawcner (Mr. Maxwell) said that he offered himself to the electors for £600 a year. I certainly did not. I consider myself under no obligation to work for the same salary now as in 1907 any more than I consider my messenger is for ever compelled to work for the salary paid him when he first entered upon his duties. He has a right to ask for more money when circumstances change, the cost of living increases, or his services become of more value.

I have had a very long experience of public life, and, like the honorable member for Capricornia (Mr. Higgs), I have not known a man to be turned out of Parliament because he asked for more salary, and took it. I have, however, lived to see, both here and in the New South Wales Parliament, men who, having refused a higher salary, have later on come back and taken it. I remember there was in our old party one man who would not take the increased salary of £600 a year. He was the only member of the party rejected at the next election.

Mr. WATKINS.—And then he took it.

Mr. HUGHES.—That is so. I make no pretence whatever to work for nothing. I give to my country the very best that is in me. In return I expect fair payment for my services. But I do not get it. If I take up a job, I try to do it to the best of my ability. It is a striking tribute to Australian legislative institutions that, although they have been in existence now for at least half-a-century, it cannot be

said that any instance of bribery or corruption on the part of a member of Parliament has ever been raised. In this Parliament, of which I have been a member, together with some of my honorable friends, for nineteen years, no man has ever sold his vote. No man has trafficked his influence for money. No man has profited by it. On the wisdom, foresight, and regular attendance of honorable members at this place depends the welfare of the people. If we say to the people outside, "You shall not have a wide choice; that is to say, you shall not select any men you like but only men who are well-to-do," then Democracy is a farce. If I were in the position of an ordinary honorable member, having to live on £600 a year, I do not think I would offer myself to the people upon the understanding that I should not be allowed any increase of salary. Although I am the Leader of the Government, and, knowing that I am the Leader, I speak in my capacity as a member of this Parliament, although I know what construction will be placed on my words. I agree with the honorable member for Herbert (Mr. Bainford) that the press will denounce this proposal; yet there is no writer who writes as he is told to write, but who seeks an increase in his own salary, and few, if any, who have not received one. These gentlemen, indeed, are now going to the Court to ask for more. Nor is there a journal in the country railing against profiteering, that has not increased their prices by 50 per cent. or even 100 per cent. Amongst those who cry out for economy there is not one who does not demand his pound of flesh for what he sells. Economy with such people begins with the "other fellow." The labourer is worthy of his hire; but it is the custom of the press to belittle parliamentary institutions. Although the press, perhaps, does not realize it, it is by its persistent denunciation of Parliament doing the work of those who seek to overturn Parliament and substitute direct action. Some of those connected with the press of the country seek to propagate the idea that directly a man becomes a member of Parliament he becomes either a fool or a rogue—that there is no man outside Parliament so poor or so insignificant but that his counsel can be taken before one chosen of the people. We

are those whom the people have deliberately chosen to rule over them. The salary paid is either a fair salary or is not; let us take the proposal on its merits. If it is not a fair salary, let us raise it. I have heard from those who oppose the motion their reasons for doing so, and those reasons do not convince me: they do not appeal to me, because they do not approach the question from the proper angle.

Like my honorable friend the Leader of the Opposition (Mr. Tudor), I have given my life to this business—my whole life. I did not take it up, and have never pursued it, as a pastime or a recreation—I do not enter Parliament to take my place in a debating society. I have, as I say, devoted my whole life to the service of my country. In turn, the people owe me something. When they have chosen me as their representative they have intrusted me with infinitely greater powers than that of deciding what is a fair salary for myself and my fellow-members. I do not intend to consider for a moment what the press happens to say. As everybody knows who reads the press, what it says to-day it unsays to-morrow; and it does not bother me. I lived for twenty-five years a member of a party that flourished despite the press; and now, although I am a member of a party that sometimes takes a great deal of notice of the press, I never do. I owe nothing to the press—the press has endeavoured persistently to pull me down. It has not succeeded, and it is little likely to affect me by its diatribes, whether on this or any other question. Perhaps I ought not to have said this; however, it will give the press a chance for an extra leader, and so to earn an honest penny. All I ask from the press, or anybody else, is a fair field and no favour.

I am not going to commit the Government; the matter has not been considered by us; but I am going to say what I think, and that is that an increase of salary is warranted by the circumstances. I am not going to commit myself to any particular amount, nor am I going to commit the Government; but I am, if the House approves the motion, going to bring this matter before the Cabinet, and I shall recommend that a Bill be brought down in order that the House may have an opportunity to express its opinion.

Mr. CONSIDINE (Barrier) [6.18].—I suggest that when the Prime Minister (Mr. Hughes) places this matter before the Cabinet, in the event of the House carrying the amendment, he should also place before it a suggestion made by the *Bulletin* some time ago, to the effect that, given a salary of £1,000 a year, £250 of it should be withheld until a member is defeated, or dies. That is a proposal which, personally, I favour, and I think it will appeal to the common sense of every honorable member. I have not been very long a member, but long enough to have had some of my views dissipated in regard to the amount of salary received by honorable members. I do not base my support of the motion on the fact that I cannot live on the salary. If the salary were increased as proposed, I might, at the end of my term be no better off than I should be if the salary remains as at present. That is one of my reasons for the suggestion I have just made to the Prime Minister.

Most of us have had experience of fighting for the particular people whose interests we believe in; and, as honorable members know, members like myself generally fight with the gloves off, both inside and out of this House. In that respect I do not intend to alter my practice. What is the position of a member, if defeated, who fights for his class outside? I am not afraid to go before my electors, even if the motion be defeated, carrying the responsibility or odium of having voted to increase my salary. I am glad to see there are so many converts to direct action. There is no knowing where the movement will stop in Australia after the highest tribunal in the land has expressed itself in favour of the principle that those who work should determine the conditions under which they shall work. I am glad, in harmony with my principles expressed outside, to cast my vote inside for the same policy; but I hope that when Cabinet decides to bring forward a Bill to raise the salaries of honorable members they will give close consideration to the aspect of the matter I have mentioned.

Mr. HECTOR LAMOND (Illawarra) [6.22].—The honorable member has given a new interpretation of direct action: I have not heard that any one has refused to come to this House to “do

the job” unless his pay is raised. The proposition that honorable members should be more adequately paid than has been the case in the past is based on the same ground on which every section of workers in the community has secured the advances which have been given to them during the time the present salary of honorable members has been running in Australia. There is no considerable section of the community but has had an advance in some sort of ratio to the increased cost of living. Many people outside imagine that the position of a member of Parliament is a very remunerative one, but my experience is that it is worse paid than any position I occupied before I came here, and I think that has been the experience of most of us who have given up other work to take up the duties of a member of Parliament. The position of those who represent distant States has already been set out by honorable members who preceded me, and it is hardly necessary to elaborate the arguments put forward by the honorable member for Herbert (Mr. Bamford), but I am unwilling to give a silent vote. I have always said that there should be proper payment of members of Parliament. The country will get service from its representatives according to the amount paid to them. I believe that employers generally get service according to the amount they pay for it. It is almost impossible for an honorable member, upon the remuneration he gets to-day, to give the time he ought to devote to the work of Parliament and to procure the facilities that he ought to possess, seeing that his vote controls the destinies of the people of the Commonwealth.

Sir ROBERT BEST (Kooyong) [6.24].—I shall not occupy more than a few minutes. I desire to say frankly that those who have spoken in favour of an increase in salary have made out a good case. I recognise the sacrifices that are made, particularly by those who represent constituencies in other States, but during the last election campaign I was asked the direct question whether I would vote for an increase in salary, and I replied I would not, unless the matter had previously been submitted to the people at a general election. At the same time I am in sympathy with much that has been

said as to the fairness and meritorious character of the claim which has been made for increasing the allowance to honorable members, and I am sure the claim could be justified on the public platform.

HONORABLE MEMBERS.—Question!

Mr. MAHONY (Dalley) [6.25].—I would like to say a few words in support of the amendment, but as honorable members are apparently anxious to take a vote upon it at once, I am quite willing to resume my seat.

Question—That the words proposed to be omitted stand part of the question—put. The House divided.

Ayes	16
Noes	42
			—
Majority	26

AYES.

Bell, G. J.
Best, Sir Robert
Bruce, S. M.
Cook, Robert
Foster, Richard
Fowler, J. M.
Francis, F. H.
Gabb, J. M.
Gregory, H.

Hill, W. C.
Lister, J. H.
McWilliams, W. J.
Prowse, J. H.
Wienholt, A.

Tellers:

Bowden, E. K.
Maxwell, G. A.

NOES.

Anstey, F.
Bamford, F. W.
Bayley, J. G.
Blakeley, A.
Brennan, F.
Cameron, D. C.
Catts, J. H.
Charlton, M.
Considine, M. P.
Cook, Sir Joseph
Corser, E. B. C.
Cunningham, L. L.
Fenton, J. E.
Groom, L. E.
Higgs, W. G.
Hughes, W. M.
Jackson, D. S.
Kerby, E. T. J.
Lamond, Hector
Lavelle, T. J.
Lazzarini, H. P.
Mackay, G. H.

Mahon, H.
Mahony, W. G.
Makin, N. J. O.
Maloney, Dr.
Marks, W. M.
Moloney, Parker
Page, Dr. Earle
Poynton, A.
Riley, E.
Rodgers, A. S.
Ryan, T. J.
Ryrie, Sir Granville
Smith, Laird
Story, W. H.
Tudor, F. G.
Watkins, D.
West, J. E.
Wise, G. H.

Tellers:

Burchell, R. J.
Page, James

4 K

PAIRS.

Gibson, W. G.
Jowett, E.

Chapman, Austin
Marr, C. W. C.

Question so resolved in the negative.

Amendment agreed to.

Question, as amended, resolved in the affirmative.

AUSTRALIAN SOLDIERS' REPATRIATION BILL.

Message received from the Senate intimating that it had agreed to the alternative amendment made by the House of Representatives in this Bill.

MINISTERS IN CHARGE OF BUSINESS.

Message received from the Senate intimating that it had passed the following resolution, in which it asked the concurrence of the House of Representatives:—

That the Standing Orders Committees of the Senate and the House of Representatives be requested to consider the question of preparing Standing Orders providing that a Minister in either House may attend and explain and pilot through the other House any Bill of which he has had charge in his own House.

ADJOURNMENT.

ARBITRATION COURT CONGESTION.

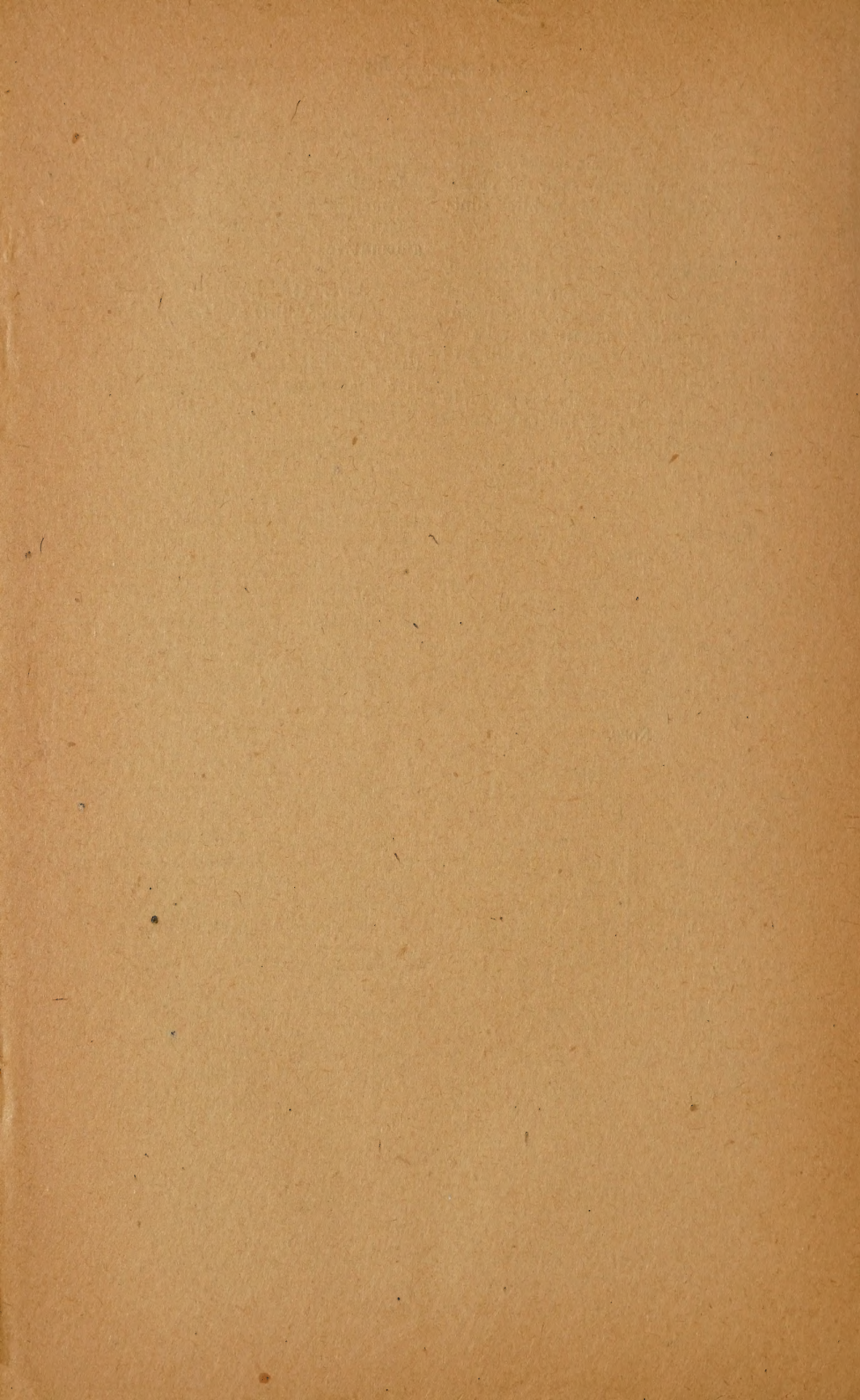
Motion (by Mr. HUGHES) proposed—That the House do now adjourn.

Mr. HECTOR LAMOND (Illawarra) [6.37].—I feel justified in detaining the House for a moment, in order to ask if the Government have taken any steps yet to relieve the congestion in the Arbitration Court.

Mr. GROOM (Darling Downs—Minister for Works and Railways) [6.38].—A commission has been issued to Mr. Justice Starke, who will act as Deputy President of the Court.

Question resolved in the affirmative.

House adjourned at 6.39 p.m.



Members of the House of Representatives.

Speaker—The Honorable William Elliot Johnson.

Chairman of Committees—The Honorable John Moore Chanter.

Anstey, Frank ..	Bourke (V.)	Johnson, Hon. William Lang (N.S.W.)
³ Atkinson, Llewelyn ..	Wilmot (T.)	Elliot
Bamford, Hon. Frederick ..	Herbert (Q.)	Jowett, Edmund ..
William		Kerby, Edwin Thomas ..
Bayley, James Garfield ..	Oxley (Q.)	John
Bell, George John ..	Darwin (T.)	Lamond, Hector ..
Best, Hon. Sir Robert ..	Kooyong (V.)	Lavelle, Thomas James ..
Wallace, K.C.M.G.		Lazzarini, Hubert Peter ..
Blakeley, Arthur ..	Darling (N.S.W.)	Lister, John Henry ..
Blundell, Reginald Pole ..	Adelaide (S.A.)	Livingston, John ..
Bowden, Eric Kendall ..	Nepean (N.S.W.)	Mackay, George Hugh ..
Brennan, Frank ..	Blatman (V.)	Mahon, Hon. Hugh ..
Bruce, Stanley Melbourne ..	Flinders (V.)	Mahony, William George ..
Burchell, Reginald John ..	Fremantle (W.A.)	Makin, Norman John ..
Catts, James Howard ..	Cook (N.S.W.)	Oswald
Cameron, Donald Charles ..	Brisbane (Q.)	Maloney, William ..
Chanter, Hon. John Moore ..	Riverina (N.S.W.)	Marks, Walter Moffitt ..
Chapman, Hon. Austin ..	Eden-Monaro	Marr, Charles William ..
	(N.S.W.)	Clanan
³ Charlton, Matthew † ..	Hunter (N.S.W.)	Mathews, James ..
⁴ Considine, Michael Patrick ..	Barrier (N.S.W.)	Maxwell, George Arnot ..
Cook, Right Hon. Sir ..	Parramatta	McDonald, Hon. Charles ..
Joseph, P.C., G.C.M.G. ..	(N.S.W.)	McWilliams, William James ..
Cook, Robert ..	Indi (V.)	Moloney, Parker John ..
Corser, Edward Bernard ..	Wide Bay (Q.)	Nicholls, Samuel Robert ..
Cresset		Page, Earle Christmas ..
Cunningham, Lucien ..	Gwydir (N.S.W.)	Grafton
Lawrence		Page, Hon. James ..
Fenton, James Edward ..	Maribyrnong (V.)	Poynton, Hon. Alexander ..
³ Fleming, William Mont- ..	Robertson (N.S.W.)	Prowse, John Henry ..
gomerie		Riley, Edward ..
Foster, Hon. Richard ..	Wakefield (S.A.)	
Witty		(N.S.W.)
² Fowler, Hon. James ..	Perth (W.A.)	Rodgers, Arthur Stanis- ..
Mackinnon		laus
Francis, Frederick Henry ..	Henty (V.)	Ryan, Hon. Thomas ..
Gabb, Joel Moses ..	Angas (S.A.)	Joseph, K.C. ..
Gibson, William Gerrard ..	Corangamite (V.)	(N.S.W.)
Greene, Hon. Walter ..	Richmond (N.S.W.)	Ryrie, Sir Granville de ..
Massy		Laune, K.C.M.G., C.B., ..
Gregory, Hon. Henry ..	Dampier (W.A.)	V.D. ..
Groom, Hon. Littleton ..	Darling Downs (Q.)	Smith, Hon. William ..
Ernest		Henry Laird ..
Hay, Alexander ..	New England	Stewart, Percy Gerald ..
	(N.S.W.)	Story, William Harrison ..
Higgs, Hon. William Guy ..	Capricornia (Q.)	Tudor, Hon. Frank Gwynne ..
Hill, William Caldwell ..	Echuca (V.)	Yarra (V.)
Hughes, Right Hon. ..	Bendigo (V.)	³ Watkins, Hon. David ..
William Morris, P.C., ..		Watt, Right Hon. William ..
K.C.		Alexander, P.C. ..
Jackson, David Sydney ..	Bass (T.)	West, John Edward ..
		(N.S.W.)
		Wienholt, Arnold ..
		Moreton (Q.)
		Wise, Hon. George Henry ..
		Gippsland (V.)

1. Sworn 27th February, 1920.—2. Sworn 3rd March, 1920.—3. Appointed Temporary Chairman of Committees 4th March, 1920.—4. Made affirmation 5th March, 1920.
† Sworn 11th May, 1920

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* Appointed 30th March, 1920.